

Return of Private Foundation

2003

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
 Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2003, or tax year beginning , 2003, and ending

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

Use the IRS label Otherwise, print or type. See Specific Instructions.

Name of organization: **WALTER AND ELISE HAAS FUND**

Number and street (or P O box number if mail is not delivered to street address): **ONE LOMBARD STREET, SUITE 305**

City or town, state, and ZIP code: **SAN FRANCISCO, CA 94111**

Room/suite: _____

A Employer identification number: **94-6068564**

B Telephone number (see page 10 of the instructions): **(415) 398-4474**

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ **208,934,387.**

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

C If exemption application is pending, check here

D 1 Foreign organizations, check here
 2 Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule). Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	8,541.	8,541.		STMT 1
4 Dividends and interest from securities	4,112,443.	4,112,443.		STMT 2
5a Gross rents				
b (Net rental income or (loss))				
6a Net gain or (loss) from sale of assets not on line 10	1,368,124.			
b Gross sales price for all assets on line 6a 82,143,953.				
7 Capital gain net income (from Part IV, line 2)		1,371,786.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	3,262.			STMT 3
12 Total. Add lines 1 through 11	5,492,370.	5,492,770.		
13 Compensation of officers, directors, trustees, etc.	180,929.			180,929.
14 Other employee salaries and wages	707,190.			707,190.
15 Pension plans, employee benefits	247,182.			247,182.
16a Legal fees (attach schedule) STMT 4	4,701.	2,350.	NONE	2,351.
b Accounting fees (attach schedule) STMT 5	122,838.	61,418.	NONE	61,420.
c Other professional fees (attach schedule) STMT 6	753,836.	753,836.		
17 Interest STMT 7	2,937.	2,937.		
18 Taxes (attach schedule) (see page 10 of the instructions) **	69,094.	26,247.		
19 Depreciation (attach schedule) and depletion	23,039.			
20 Occupancy	113,832.			113,832.
21 Travel, conferences, and meetings	30,075.			30,075.
22 Printing and publications	4,430.			4,430.
23 Other expenses (attach schedule) STMT 10	357,914.	149,978.		207,936.
24 Total operating and administrative expenses. Add lines 13 through 23	2,617,997.	996,766.	NONE	1,555,345.
25 Contributions, gifts, grants paid	9,595,223.			9,595,223.
26 Total expenses and disbursements. Add lines 24 and 25	12,213,220.	996,766.	NONE	11,150,568.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-6,720,850.			
b Net investment income (if negative, enter -0-)		4,496,004.		
c Adjusted net income (if negative, enter -0-)			-0-	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash - non-interest-bearing	250.	250.	250.
	2	Savings and temporary cash investments	3,826,022.	4,387,927.	4,387,927.
	3	Accounts receivable			
		Less allowance for doubtful accounts			
	4	Pledges receivable			
		Less allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) *		353,279.	STMT 11
		Less allowance for doubtful accounts	333,408.	353,279.	353,279.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) STMT 12	111,694,106.	139,883,230.	139,883,230.
	c	Investments - corporate bonds (attach schedule) STMT 13	40,591,430.	35,024,288.	35,024,288.
	11	Investments - land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule) STMT 14	22,598,452.	29,106,762.	29,106,762.	
14	Land, buildings, and equipment basis	230,097.		STMT 19	
	Less accumulated depreciation (attach schedule)	54,635.	175,462.	175,462.	
15	Other assets (describe STMT 20)	3,189.	3,189.	3,189.	
16	Total assets (to be completed by all filers - see page 16 of the instructions Also, see page 1, item I)	179,244,560.	208,934,387.	208,934,387.	
Liabilities	17	Accounts payable and accrued expenses	NONE	287.	
	18	Grants payable			
	19	Deferred revenue	150,000.	150,000.	STMT 21
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
23	Total liabilities (add lines 17 through 22)	150,000.	150,287.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	179,094,560.	208,784,100.	
	25	Temporarily restricted			
	26	Permanently restricted			
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see page 17 of the instructions)	179,094,560.	208,784,100.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	179,244,560.	208,934,387.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	179,094,560.
2	Enter amount from Part I, line 27a	2	-6,720,850.
3	Other increases not included in line 2 (itemize) SEE STATEMENT 22	3	36,410,390.
4	Add lines 1, 2, and 3	4	208,784,100.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 23	5	NONE
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	208,784,100.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)				(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a SEE PART IV SCHEDULE						
b						
c						
d						
e						
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)			
a						
b						
c						
d						
e						
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))			
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any				
a						
b						
c						
d						
e						
2 Capital gain net income or (net capital loss)				2	1,371,786.	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }						
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)				3		
{ If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 }						

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

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

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

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? . . . Yes No
 If "Yes," the organization does not qualify under section 4940(e) Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2002	12,793,326.	194,130,055.	0.06590080037
2001	11,848,103.	216,318,565.	0.05477154954
2000	11,426,750.	233,784,682.	0.04887723996
1999	12,425,184.	225,030,049.	0.05521566589
1998	8,176,736.	210,547,499.	0.03883558835
2 Total of line 1, column (d)			2 0.26360084411
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.05272016882
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5			4 186,959,731.
5 Multiply line 4 by line 3			5 9,856,549.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 44,960.
7 Add lines 5 and 6			7 9,901,509.
8 Enter qualifying distributions from Part XII, line 4			8 11,150,568.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 17

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

Table with 11 rows for excise tax calculations. Includes items like 'Exempt operating foundations', 'Domestic organizations that meet the section 4940(e) requirements', 'Tax under section 511', 'Credits/Payments', and 'Total credits and payments'. Total tax due is 2,148.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political influence, political expenditures, unrelated business income, and state reporting. Includes state name 'CALIFORNIA' and organization name 'ARGONAUT SECURITIES CO.'.

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

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

Table with columns for question descriptions, Yes/No checkboxes, and a summary table with Yes/No columns. Rows include questions 1a through 6b regarding disqualifying activities, tax distribution, and charitable investments.

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 25		180,929.	41,499.	NONE

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 29 1155 BATTERY STREET, LS7W	VARIOUS-SEE STMT 29 FULL-TIME	354,376.	97,691.	NONE

Total number of other employees paid over \$50,000 **NONE**

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
BANK OF IRELAND 2425 COLORADO AVE, SANTA MONICA, CA	INVESTMENT ADVISOR	125,535.
INSTITUTIONAL CAPITAL CORP 225 W WACKER DR, STE 2400, CHICAGO, IL	INVESTMENT ADVISOR	127,933.
JOHN MCSTAY INVESTMENT COUNSEL 5949 SHERRY LANE, STE 1560, DALLAS, TX	INVESTMENT ADVISOR	106,571.
EUROPEAN INVESTORS INC 667 MADISON AVENUE, NEW YORK, NY	INVESTMENT ADVISOR	121,626.
NORTHERN TRUST COMPANY 50 SOUTH LASALLE ST, CHICAGO, IL	CUSTODIAN	146,763.
Total number of others receiving over \$50,000 for professional services		1

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NOT APPLICABLE - ACTIVITIES OF FOUNDATION LIMITED SOLELY TO GRANT MAKING	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
NONE	
All other program-related investments See page 21 of the instructions	
NONE	
Total. Add lines 1 through 3	

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

Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	159,480,757.
b Average of monthly cash balances	1b	25,852,607.
c Fair market value of all other assets (see page 22 of the instructions)	1c	4,473,469.
d Total (add lines 1a, b, and c)	1d	189,806,833.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
Acquisition indebtedness applicable to line 1 assets	2	NONE
Subtract line 2 from line 1d	3	189,806,833.
Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 23 of the instructions)	4	2,847,102.
Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	186,959,731.
Minimum investment return. Enter 5% of line 5	6	9,347,987.

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

Minimum investment return from Part X, line 6	1	9,347,987.
a Tax on investment income for 2003 from Part VI, line 5	2a	44,960.
b Income tax for 2003 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	44,960.
Distributable amount before adjustments Subtract line 2c from line 1	3	9,303,027.
a Recoveries of amounts treated as qualifying distributions	4a	NONE
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	NONE
Add lines 3 and 4c	5	9,303,027.
Deduction from distributable amount (see page 23 of the instructions)	6	NONE
Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	9,303,027.

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

Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	11,150,568.
b Program-related investments - Total from Part IX-B	1b	NONE
Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	11,150,568.
Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	44,960.
Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,105,608.

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

Part XIII Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				9,303,027.
2 Undistributed income, if any, as of the end of 2002				
a Enter amount for 2002 only			NONE	
b Total for prior years <u>2001 2000 1999</u>		NONE		
3 Excess distributions carryover, if any, to 2003				
a From 1998	8,386,961.			
b From 1999	1,900,752.			
c From 2000	287,461.			
d From 2001	1,814,309.			
e From 2002	4,945,993.			
f Total of lines 3a through e	17,335,476.			
4 Qualifying distributions for 2003 from Part XII, line 4 ▶ \$ <u>11,150,568.</u>				
a Applied to 2002, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see page 24 of the instructions)		NONE		
c Treated as distributions out of corpus (Election required - see page 24 of the instructions)	STAT 3D 1,847,540.			
d Applied to 2003 distributable amount				9,303,027.
e Remaining amount distributed out of corpus	1.			
5 Excess distributions carryover applied to 2003 (if an amount appears in column (d), the same amount must be shown in column (a))		NONE		NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	19,183,017.			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b Taxable amount - see page 24 of the instructions		NONE		
e Undistributed income for 2002 Subtract line 4a from line 2a Taxable amount - see page 24 of the instructions			NONE	
f Undistributed income for 2003 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2004				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)		NONE		
8 Excess distributions carryover from 1998 not applied on line 5 or line 7 (see page 25 of the instructions)		NONE		
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	19,183,017.			
10 Analysis of line 9				
a Excess from 1999	1,900,752.			
b Excess from 2000	287,461.			
c Excess from 2001	1,814,309.			
d Excess from 2002	4,945,993.			
e Excess from 2003	10,234,501.			

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, enter the date of the ruling

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT 26

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

SEE STATEMENT 28 (SAMPLE FORM)

c Any submission deadlines

NONE

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

SEE STATEMENT 28 (SAMPLE FORM)

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a <i>Paid during the year</i></p> <p>SEE STATEMENT 27</p>				
<p>Total ▶ 3a</p>				<p>9,595,223.</p>
<p>b <i>Approved for future payment</i></p> <p>SEE STATEMENT 32</p>				<p>6,252,780.</p>
<p>Total ▶ 3b</p>				<p>6,252,780.</p>

