

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2001 calendar year, or tax year period beginning **JUL 1, 2001** and ending **JUN 30, 2002**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization MORGAN MEMORIAL GOODWILL INDUSTRIES, INC.		D Employer identification number 04-2106765
		Number and street (or P O box if mail is not delivered to street address) Room/suite 1010 HARRISON AVENUE		E Telephone number 617-541-1270
		City or town, state or country, and ZIP + 4 BOSTON, MA 02119		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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)		

G Web site **WWW.GOODWILLMASS.ORG**

H Hand I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates

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

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

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.

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **21,067,173.**

I Enter 4-digit GEN

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

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	6,828,597.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 3,027,250. noncash \$ 3,801,347.)	1d	6,828,597.		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	8,166,896.		
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4	5,537.		
5	Dividends and interest from securities	5	385,896.		
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe)	7			
8a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a		8b	
c	Gain or (loss) (attach schedule)		393,184.	8b	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))		<393,184.>	8c	
e	Special events and activities (attach schedule)		STMT 1	8d	<393,184.>
a	Gross revenue not including reported on line 1a	9a			
b	Direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a	5,581,738.		
b	Less cost of goods sold	10b	3,780,549.		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	1,801,189.		
11	Other revenue (from Part VII, line 103)	11	98,509.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	16,893,440.		
13	Program services (from line 44, column (B))	13	15,939,509.		
14	Management and general (from line 44, column (C))	14	1,688,027.		
15	Fundraising (from line 44, column (D))	15	813,196.		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	18,440,732.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<1,547,292.>		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	17,244,987.		
20	Other changes in net assets or fund balances (attach explanation)	20	<761,949.>		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	14,935,746.		

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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 (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	25 483,143.	215,896.	204,090.	63,157.
26 Other salaries and wages	26 8,573,620.	7,832,457.	686,778.	54,385.
27 Pension plan contributions	27 16,111.	11,632.	4,350.	129.
28 Other employee benefits	28 517,782.	430,331.	80,855.	6,596.
29 Payroll taxes	29 928,017.	826,771.	90,470.	10,776.
30 Professional fundraising fees	30			
31 Accounting fees	31 48,800.	0.	48,800.	0.
32 Legal fees	32 21,558.	0.	21,558.	0.
33 Supplies	33 798,537.	758,468.	28,434.	11,635.
34 Telephone	34 200,000.	169,245.	27,974.	2,781.
35 Postage and shipping	35 33,652.	23,318.	8,929.	1,405.
36 Occupancy	36 2,409,309.	2,331,231.	53,384.	24,694.
37 Equipment rental and maintenance	37 487,901.	449,571.	34,655.	3,675.
38 Printing and publications	38 30,795.	19,265.	6,250.	5,280.
39 Travel	39 425,431.	422,258.	1,669.	1,504.
40 Conferences, conventions, and meetings	40 130,709.	108,396.	18,672.	3,641.
41 Interest	41 270,397.	237,649.	22,043.	10,705.
42 Depreciation, depletion, etc (attach schedule)	42 922,628.	858,780.	46,731.	17,117.
43 Other expenses not covered above (itemize)				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 5	43e 2,142,342.	1,244,241.	302,385.	595,716.
44 Total functional expense (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 18,440,732.	15,939,509.	1,688,027.	813,196.

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? EMPLOYMENT AND CAREER TRAINING	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a RETAIL OPERATIONS: EMPLOYMENT AND TRAINING OF PERSONS WITH DISABILITIES AND OTHER BARRIERS TO EMPLOYMENT FOR THE PURPOSE OF IMPROVING THEIR SKILLS. (Grants and allocations \$ _____)	7,392,461.
b PROGRAM OPERATIONS: VOCATIONAL & OTHER THERAPEUTIC SERVICES PROVIDED TO PERSONS WITH A FULL RANGE OF DISABILITIES. TRAINING & EDUCATION OF PERSONS WITH BARRIERS TO EMPLOYMENT. RECREATION FOR INNER-CITY YOUTH. (Grants and allocations \$ _____)	8,547,048.
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)	15,939,509.

Part IV Balance Sheets

Note				(A)		(B)
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only				Beginning of year		End of year
Assets	45	Cash - non-interest-bearing		56,708.	45	36,829.
	46	Savings and temporary cash investments		242,903.	46	178,867.
	47 a	Accounts receivable	47a 1,770,804.			
	b	Less allowance for doubtful accounts	47b 162,507.	1,731,195.	47c	1,608,297.
	48 a	Pledges receivable	48a 1,265,013.			
	b	Less allowance for doubtful accounts	48b	1,038,516.	48c	1,265,013.
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees			50	
	51 a	Other notes and loans receivable	51a			
	b	Less allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use		400,570.	52	342,021.
	53	Prepaid expenses and deferred charges		237,889.	53	116,645.
	54	Investments - securities STMT 6	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	6,948,097.	54	6,307,220.
	55 a	Investments - land, buildings, and equipment basis	55a			
	b	Less accumulated depreciation	55b		55c	
56	Investments - other	SEE STATEMENT 7	473,831.	56	452,959.	
57 a	Land, buildings, and equipment basis	57a 17,842,939.				
b	Less accumulated depreciation	57b 9,262,011.	9,129,864.	57c	8,580,928.	
58	Other assets (describe SEE STATEMENT 8)		4,851,702.	58	4,311,100.	
59	Total assets (add lines 45 through 58) (must equal line 74)		25,111,275.	59	23,199,879.	
Liabilities	60	Accounts payable and accrued expenses		2,250,613.	60	1,904,160.
	61	Grants payable			61	
	62	Deferred revenue		114,513.	62	11,179.
	63	Loans from officers, directors, trustees, and key employees			63	
	64 a	Tax-exempt bond liabilities		3,860,000.	64a	3,585,000.
	b	Mortgages and other notes payable		1,558,600.	64b	2,700,000.
65	Other liabilities (describe CAPITAL LEASE OBLIGATIONS)		82,562.	65	63,854.	
66	Total liabilities (add lines 60 through 65)		7,866,288.	66	8,264,193.	
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		5,456,172.	67	3,535,754.
	68	Temporarily restricted		4,560,305.	68	3,813,910.
	69	Permanently restricted		7,228,510.	69	7,586,022.
	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)		17,244,987.	73	14,935,686.	
74	Total liabilities and net assets / fund balances (add lines 66 and 73)		25,111,275.	74	23,199,879.	

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	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 19,911,980.	a Total expenses and losses per audited financial statements ▶ a 22,221,281.
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 \$ <229,461.>	(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) STMT 9 \$ <532,488.>	(4) Other (specify) STMT 10 \$ 3,780,549.
Add amounts on lines (1) through (4) ▶ b <761,949.>	Add amounts on lines (1) through (4) ▶ b 3,780,549.
c Line a minus line b ▶ c 20,673,929.	c Line a minus line b ▶ c 18,440,732.
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) STMT 11 \$ <3,780,549.>	(2) Other (specify) \$ _____
Add amounts on lines (1) and (2) ▶ d <3,780,549.>	Add amounts on lines (1) and (2) ▶ d 0.
e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 16,893,380.	e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 18,440,732.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
JOANNE HILFERTY 1010 HARRISON AVENUE BOSTON, MA 02119	PRESIDENT & CEO 40	211,154.	1,700.	0.
MONA BASTIDE 1010 HARRISON AVENUE BOSTON, MA 02119	V.P. PROGRAMS & SERVICES 40	125,065.	1,207.	0.
MARTA DAVIES 1010 HARRISON AVENUE BOSTON, MA 02119	V.P. RETAIL 40	41,538.	0.	0.
KEN OLSEN 1010 HARRISON AVENUE BOSTON, MA 02119	V.P. DEV.&EXTERNAL AFFAIRS 40	19,038.	0.	0.
ANTOINETTE PRESTON 1010 HARRISON AVENUE BOSTON, MA 02119	VP HR 40	85,543.	428.	0.
CAROLYN FAULKER 1010 HARRISON AVENUE BOSTON, MA 02119	CFO 40	90,673.	958.	0.
PAUL MACNEIL 1010 HARRISON AVENUE BOSTON, MA 02119	VP OPERATIONS 40	97,475.	0.	0.
CHARLES PANASIS 1010 HARRISON AVENUE BOSTON, MA 02119	VP RETAIL 40	23,645.	0.	0.
LAWRENCE RAFF 1010 HARRISON AVENUE BOSTON, MA 02119	VP DEVELOPMENT 40	37,016.	0.	0.
BOARD OF DIRECTORS	SEE ATTACHED			
	0-1	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? If "Yes," attach schedule ▶ Yes No Form 990 (2001)

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		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
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		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.		
81 a	Enter direct or indirect political expenditures See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	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		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? N/A		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A		
	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		
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 in 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 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		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0., section 4912 <input type="checkbox"/> 0., section 4955 <input type="checkbox"/> 0.		
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		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization 0.		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> MASSACHUSETTS		
b	Number of employees employed in the pay period that includes March 12, 2001 90b 253		
91	The books are in care of <input type="checkbox"/> THE ORGANIZATION Telephone no <input type="checkbox"/> 617-541-1270		
	Located at <input type="checkbox"/> 1010 HARRISON AVENUE, BOSTON, MA ZIP + 4 <input type="checkbox"/> 02119		
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 N/A		

Form 990 (2001)

MORGAN MEMORIAL GOODWILL INDUSTRIES, INC.

04-2106765

Page 6

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

	Unrelated business income		Excluded by sect on 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
83 Program service revenue					
a PRIVATE PAYMENTS					2,550,993.
b					
c					
d					
e					
f Medicare/Medicaid payments					791,810.
g Fees and contracts from government agencies					4,824,093.
84 Membership dues and assessments					
85 Interest on savings and temporary cash investments			14	5,537.	
86 Dividends and interest from securities			14	385,896.	
87 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
88 Net rental income or (loss) from personal property					
89 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<393,184.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					1,801,189.
103 Other revenue					
a MISCELLANEOUS			01	98,509.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))			0.	96,758.	9,968,085.
105 Total (add line 104, columns (B), (D), and (E))					10,064,843.

Note: Line 105 plus line 101, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32.)

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

(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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33.)

- (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 (a), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please

Date: 5/15/03

Type or print name and title: Thomas H. Kelly, CEO

Date: 5/15/03

Check if self-employed:

Preparer's SSN or PTIN:

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

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization **MORGAN MEMORIAL GOODWILL INDUSTRIES, INC.** Employer identification number **04 2106765**

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
<u>JOANNE POKASKI</u> ----- 1010 HARRISON AVENUE, BOSTON, MA	DIRECTOR 40	63,173.	632.	0.
<u>SERENA POWELL</u> ----- 1010 HARRISON AVENUE, BOSTON, MA	DIR WORKFORCE 40	56,511.	589.	0.
<u>DAN SHERIDAN</u> ----- 1010 HARRISON AVENUE, BOSTON, MA	ASST CONTROLL 40	55,577.	20.	0.
<u>JOE FITZPATRICK</u> ----- 1010 HARRISON AVENUE, BOSTON, MA	DIR. OPER. 40	50,292.	8.	0.
<u>PAUL BROWN</u> ----- 1010 HARRISON AVENUE, BOSTON, MA	DIR CONT SVCS 40	53,576.	528.	0.
Total number of other employees paid over \$50,000 ▶	4			

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
<u>NEWPORT CREATIVE COMMUNICATIONS</u> ----- 33 RAILROAD AVENUE, DUXBURY, MA 02332	DIRECT MARKETING SERVICES	269,867.
<u>DEVELOPMENT GUILD</u> ----- 223 HARVARD STREET, BOSTON, MA 02446	FUNDRAISING SERVICES	148,253.
<u>TECHNICAL DEVELOPMENT CORPORATION</u> ----- 31 MILK STREET, BOSTON, MA 02109	SYSTEMS CONSULTING	108,664.
<u>MCGLADREY & PULLEN</u> ----- 21 B STREET, BURLINGTON, MA 01803	ACCOUNTING SERVICES	92,905.
----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See page 2 of the instructions)	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions) SEE STATEMENT 13		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X
<i>Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments</i>		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____

10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A.)

11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A.)

11b A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A.)

12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A.)

13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	7,392,524.	8,068,064.	7,366,608.	6,473,156.	29,300,352.
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	13,514,665.	13,219,148.	14,967,520.	11,644,082.	53,345,415.
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	415,027.	402,900.	237,405.	272,459.	1,327,791.
19 Net income from unrelated business activities not included in line 18					
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	34,723.	14,421.	25,639.	61,594.	136,377.
23 Total of lines 15 through 22	21,356,939.	21,704,533.	22,597,172.	18,451,291.	84,109,935.
24 Line 23 minus line 17	7,842,274.	8,485,385.	7,629,652.	6,807,209.	30,764,520.
25 Enter 1% of line 23	213,569.	217,045.	225,972.	184,513.	
26 Organizations described on lines 10 or 11. a Enter 2% of amount in column (e), line 24					26a 615,290.
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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 30,764,520.
d Add: Amounts from column (e) for lines 18 1,327,791. 19 _____ 22 136,377. 26b _____					26d 1,464,168.
e Public support (line 26c minus line 26d total)					26e 29,300,352.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 95.2407%
27 Organizations described on line 12. a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A	(2000)	(1999)	(1998)	(1997)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A	(2000)	(1999)	(1998)	(1997)	
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, 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	NONE				

Part V Private School Questionnaire (See page 7 of the instructions) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions) N/A
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check a If the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution. If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the Instructions for lines 45 through 50 on page 11 of the Instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h)			0.

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

FORM 990	INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10	STATEMENT 2
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INCOME

1. GROSS RECEIPTS	5,581,738	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		5,581,738
4. COST OF GOODS SOLD (LINE 13)	3,780,549	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		1,801,189

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	400,570	
7. MERCHANDISE PURCHASED		
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS	3,722,000	
11. ADD LINES 6 THROUGH 10		4,122,570
12. INVENTORY AT END OF YEAR	342,021	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		3,780,549

FORM 990	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	3
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DESCRIPTION	AMOUNT
DONATED INVENTORY	3,722,000.
TOTAL INCLUDED ON FORM 990, PART I, LINE 10B	3,722,000.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
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DESCRIPTION	AMOUNT
PERMANENTLY RESTRICTED LOSSES ON PERPETUAL TRUSTS	<532,488.>
UNREALIZED LOSSES ON INVESTMENTS	<229,461.>
TOTAL TO FORM 990, PART I, LINE 20	<761,949.>

FORM 990	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
EVENTS	7,471.	1,231.	5,558.	682.
BAD DEBT EXPENSE	142,484.	142,484.	0.	0.
RECRUITING	93,915.	34,491.	58,394.	1,030.
TEMPORARY HELP	473,726.	424,909.	45,427.	3,390.
OTHER PROFESSIONAL FEES	1,412,017.	638,673.	183,062.	590,282.
ADVERTISING	12,729.	2,453.	9,944.	332.
TOTAL TO FM 990, LN 43	2,142,342.	1,244,241.	302,385.	595,716.

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT	6
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SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
STOCKS	2,245,063.				2,245,063.
BONDS		4,062,157.			4,062,157.
TO 990, LN 54 COL B	2,245,063.	4,062,157.			6,307,220.

FORM 990	OTHER INVESTMENTS	STATEMENT	7
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DESCRIPTION	VALUATION METHOD	AMOUNT
CASH & TEMPORARY CASH INVESTMENTS	MARKET VALUE	452,959.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		452,959.

FORM 990	OTHER ASSETS	STATEMENT	8
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DESCRIPTION	AMOUNT
OTHER CURRENT ASSETS	2,088.
ASSETS HELD BY TRUSTEE	219,202.
DEFERRED BOND EXPENSE, NET	14,350.
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	3,989,546.
OTHER ASSETS	85,914.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	4,311,100.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	9
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DESCRIPTION	AMOUNT
PERMANENTLY RESTRICTED LOSSES ON PERPETUAL TRUSTS	<532,488.>
TOTAL TO FORM 990, PART IV-A	<532,488.>

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 10

DESCRIPTION	AMOUNT
COST OF GOODS SOLD	3,780,549.
TOTAL TO FORM 990, PART IV-B	3,780,549.

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 11

DESCRIPTION	AMOUNT
COST OF GOODS SOLD	<3,780,549.>
TOTAL TO FORM 990, PART IV-A	<3,780,549.>

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

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93	ALL PROGRAM SERVICE REVENUES ARE FOR PROGRAMS THAT SERVE OR TRAIN PERSONS WITH DISABILITIES AND OTHER BARRIERS TO EMPLOYEMENT.
102	GROSS PROFIT FROM SALES OF MERCHANDISE AUGMENT RETAIL, PRODUCTION AND OTHER TRAINING PROGRAMS FOR PERSONS WITH DISABILITIES & OTHER BARRIERS TO EMPLOYMENT, THE OBJECT OF WHICH IS PLACEMENT OUTSIDE EMPLOYMENT.

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC., PART III, LINE 2 STATEMENT 13

COMPENSATION OF \$6,600 WAS PAID TO LEMELMAN & TRILLING FOR LEGAL SERVICES DURING THE YEAR ENDING JUNE 30, 2002. THIS ORGANIZATION IS RELATED THROUGH HERBERT LEMELMAN, A MEMBER OF MORGAN MEMORIAL'S BOARD OF DIRECTORS. ALL COMPENSATION FOR SERVICES WERE AUTHORIZED THROUGH THE NORMAL AND PROPER CHANNELS.

COMPENSATION OF \$44,400 WAS PAID TO BOSTON PRIVATE BANK & TRUST COMPANY FOR INVESTMENT ADVISORY SERVICES DURING THE YEAR ENDED JUNE 30, 2002. THE ORGANIZATION IS RELATED THROUGH EUGENE COLANGELO, A MEMBER OF MORGAN MEMORIAL'S BOARD OF DIRECTORS. ALL COMPENSATION FOR SERVICES WERE AUTHORIZED THROUGH THE NORMAL AND PROPER CHANNELS.

SCHEDULE A	OTHER INCOME			STATEMENT 14
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
MISCELLANEOUS	34,723.	14,421.	25,639.	61,594.
TOTAL TO SCHEDULE A, LINE 22	34,723.	14,421.	25,639.	61,594.

Form 990, Page 4, Part V

List of Officers, Directors, Trustees, and Key Employees

Name	Address	Title	Compensation	Contribution to Benefit Plans	Expense Account
Ruth Ellen Fitch Esquire	1010 Harrison Avenue Boston MA 02119	Chair	- 0 -	- 0 -	- 0 -
Bill Huff	1010 Harrison Avenue Boston, MA 02119	Vice Chair	- 0 -	- 0 -	0 -
Brenda Cherry	1010 Harrison Avenue Boston, MA 02119	Clerk	- 0 -	- 0 -	0 -
Doreen Bilezikian	1010 Harrison Avenue Boston MA 02119	Treasurer	- 0 -	- 0 -	- 0 -
Clark Miller	1010 Harrison Avenue Boston MA 02119	Directors	- 0 -	- 0 -	- 0 -
M Joseph Celi	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	- 0 -
Nancy Aubrey	1010 Harrison Avenue Boston MA 02119		- 0 -	- 0 -	0 -
Linda FitzPatrick	1010 Harrison Avenue Boston MA 02119		- 0 -	- 0 -	0 -
Jovita Fontanez	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	0 -
James Kivlehan	1010 Harrison Avenue Boston MA 02119		- 0 -	0 -	- 0 -
Joanne Hiferty	1010 Harrison Avenue Boston MA 02119		- 0 -	0 -	- 0 -
Herbert Lemelman	1010 Harrison Avenue Boston MA 02119		- 0 -	- 0 -	0 -
Theresa Bresten	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	- 0 -
Peter A. Mornsey	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	0 -
Michael M Morrow	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	0 -
Mary L Reed	1010 Harrison Avenue Boston, MA 02119		- 0 -	- 0 -	0 -
Clayton Turnbull	1010 Harrison Avenue Boston MA 02119		- 0 -	0 -	- 0 -