

Form **990**Department of the Treasury
Internal Revenue Service**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)

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

OMB No. 1545-0047

2001

Open to Public Inspection

A For the 2001 calendar year, or tax year period beginning **JUL 1, 2001** and ending **JUN 30, 2002****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**WELLSPRING HOUSE, INC.**

Number and street (or P O box if mail is not delivered to street address)

302 ESSEX AVENUE

Room/suite

City or town, state or country, and ZIP + 4

GLOUCESTER, MA 01930**D** Employer identification number**04-2735048****E** Telephone number**(978) 231-3221****F** Accounting method ☐ Cash ☒ Accrual

Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? **N/A** ☐ Yes ☐ No (If "No," attach a list.)**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Enter 4-digit GEN ▶**M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)**G** Web site ▶ **N/A****J** Organization type (check only one) ▶ ☒ 501(c) (**3**) ◀ (Insert no. ☐ 4947(a)(1) or ☐ 527)**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.****L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,941,047.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	1,583,935.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 1,583,935. noncash \$)	1d	1,583,935.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	336,165.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	20,947.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
6b	Less: rental expenses	6b			
6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7			
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
	b	Less: cost or other basis and sales expenses	8a		
	c	Gain or (loss) (attach schedule)	8b		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		
	9	Special events and activities (attach schedule)	8d		
		Gross revenue (not including \$ of contributions reported on line 1a)	9a		
	b	Less: 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		
	b	Less: cost of goods sold	10b		
10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,941,047.		
Expenses	13	Program services (from line 44, column (B))	13	1,525,028.	
	14	Management and general (from line 44, column (C))	14	249,424.	
	15	Fundraising (from line 44, column (D))	15	209,272.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	1,983,724.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-42,677.	
Net Assets	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,830,843.	
	20	Other changes in net assets or fund balances (attach explanation)	20	-31,111.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	1,757,055.	

SEE STATEMENT 1

123001
01-04-02

LHA For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2001)

5

SCANNED JAN 07 2003

RECEIVED
 DEC 2 2002
 OGDEN UT

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	41,697.	41,697.	STATEMENT 3	
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc	25	57,750.	0.	57,750.	0.
26 Other salaries and wages	26	795,319.	610,948.	81,598.	102,773.
27 Pension plan contributions	27				
28 Other employee benefits	28	39,769.	32,866.	3,155.	3,748.
29 Payroll taxes	29	75,427.	55,813.	12,070.	7,544.
30 Professional fundraising fees	30				
31 Accounting fees	31	43,747.	4,900.	38,413.	434.
32 Legal fees	32				
33 Supplies	33	21,525.	20,245.	1,126.	154.
34 Telephone	34	13,064.	9,784.	2,245.	1,035.
35 Postage and shipping	35	20,204.	4,370.	1,492.	14,342.
36 Occupancy	36	33,100.	33,100.		
37 Equipment rental and maintenance	37	39,506.	33,942.	4,038.	1,526.
38 Printing and publications	38				
39 Travel	39	8,265.	8,079.	186.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	38,542.	35,585.	1,478.	1,479.
42 Depreciation, depletion, etc (attach schedule)	42	65,364.	58,861.	4,744.	1,759.
43 Other expenses not covered above (itemize)					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e SEE STATEMENT 2	43e	690,445.	574,838.	41,129.	74,478.
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	1,983,724.	1,525,028.	249,424.	209,272.

Joint Costs Check ☐ if you are following SOP 98-2Are 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 AccomplishmentsWhat is the organization's primary exempt purpose? ☐**TO PROVIDE SHELTER AND DIRECT ASSISTANCE TO THE COMMUNITY.**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses

(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts but optional for others.)

a FAMILY SHELTER		
(Grants and allocations \$ _____)		531,558.
b HOUSING PROPERTY		
(Grants and allocations \$ _____)		156,933.
c EDUCATION PROGRAMS		
(Grants and allocations \$ _____)		249,988.
d ECONOMIC DEVELOPMENT		
(Grants and allocations \$ _____)		132,558.
e Other program services (attach schedule) STATEMENT 4	(Grants and allocations \$ _____)	453,991.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		1,525,028.

Part IV Balance Sheets

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	115,320.	45	8,304.
	46 Savings and temporary cash investments	779,601.	46	865,545.
	47 a Accounts receivable	47a 70,350.		
	b Less allowance for doubtful accounts	47b	25,326.	47c 70,350.
	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		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	7,213.	53	7,997.
	54 Investments - securities STMT 5 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	276,208.	54	229,960.
	55 a Investments land, buildings, and equipment, basis	55a		
	b Less accumulated depreciation	55b		55c
56 Investments - other		56		
57 a Land, buildings, and equipment, basis	57a 1,701,658.			
b Less accumulated depreciation STMT 6	57b 641,360.	1,126,236.	57c 1,060,298.	
58 Other assets (describe SEE STATEMENT 7)	4,889.	58	54,314.	
59 Total assets (add lines 45 through 58) (must equal line 74)	2,334,793.	59	2,296,768.	
Liabilities	60 Accounts payable and accrued expenses	47,985.	60	55,145.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 8	455,965.	64b	434,568.
	65 Other liabilities (describe DUE TO ENDOWMENT FUND)		65	50,000.
66 Total liabilities (add lines 60 through 65)	503,950.	66	539,713.	
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	902,217.	67	659,567.
	68 Temporarily restricted	679,750.	68	657,109.
	69 Permanently restricted	248,876.	69	440,379.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,830,843.	73	1,757,055.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	2,334,793.	74	2,296,768.

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 VI Other Information

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization 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?	81b	X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A	85a	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
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	85g	
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	85h	
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 86a N/A		
b Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87 501(c)(12) organizations Enter a Gross income from members or shareholders 87a N/A		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0. , section 4912 0. , section 4955 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	89b	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d Enter Amount of tax on line 89c, above, reimbursed by the organization 0.		
90 a List the states with which a copy of this return is filed MASSACHUSETTS	90b	33
b Number of employees employed in the pay period that includes March 12, 2001		

91 The books are in care of WINIFRED SCHWOYER Telephone no (978) 231-3221Located at 302 ESSEX AVE GLOUCESTER ZIP + 4 0193092 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ☐
and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a RENTAL INCOME					117,348.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					218,817.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					20,947.
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))		0.		0.	357,112.
105 Total (add line 104, columns (B), (D), and (E))					357,112.

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 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)
1	SEE STATEMENT 9
2	
3	
4	

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

Accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete information of which preparer has any knowledge

2/19/02

WINIFRED SCHWARTZ, PRESIDENT

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.)

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

OMB No 1545-0047

2001

Name of the organization

WELLSPRING HOUSE, INC.

Employer identification number

04 2735048

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 ▶	0			

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)

1 X

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

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

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)?

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

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

Part IV Reason for Non-Private Foundation Status (See pages 3 through 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.)	883,862.	886,579.	647,047.	568,829.	2,986,317.
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	332,495.	369,949.	378,609.	360,875.	1,441,928.
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	21,840.	11,769.	8,518.	13,673.	55,800.
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.			SEE STATEMENT 10 11,200.	8,400.	19,600.
23 Total of lines 15 through 22	1,238,197.	1,268,297.	1,045,374.	951,777.	4,503,645.
24 Line 23 minus line 17	905,702.	898,348.	666,765.	590,902.	3,061,717.
25 Enter 1% of line 23	12,382.	12,683.	10,454.	9,518.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a N/A
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 N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
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				
(2000) 168,422. (1999) 112,125. (1998) 92,656. (1997) 97,750.					
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					
(2000) 234,452. (1999) 232,444. (1998) 227,978. (1997) 204,202.					
c Add: Amounts from column (e) for lines 15 2,986,317. 16 _____ 17 1,441,928. 20 _____					27c 4,428,245.
d Add: Line 27a total 470,953. and line 27b total 899,076.					27d 1,370,029.
e Public support (line 27c total minus line 27d total)					27e 3,058,216.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f 4,503,645.				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 67.9054%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 1.2390%
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.)		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See 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 groupCheck ☐ **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	
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)

N/A

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

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

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

Yes	No	Amount
		0.

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

WELLSPRING HOUSE, INC.

Employer identification number

04-2735048

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule** (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions)

General Rule-

☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules-

☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

WELLSPRING HOUSE, INC.

04-2735048

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	_____	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>	_____	\$ <u>140,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>3</u>	_____	\$ <u>475,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>4</u>	_____	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
UNREALIZED LOSS ON INVESTMENTS		-31,111.	
TOTAL TO FORM 990, PART I, LINE 20		-31,111.	

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
UTILITIES	32,381.	29,385.	2,017.	979.	
INSURANCE	12,710.	11,263.	1,447.	0.	
REAL ESTATE TAXES	17,348.	15,709.	827.	812.	
CONSULTANTS	95,554.	94,922.	632.	0.	
PROGRAM SERVICES	92,408.	90,629.	667.	1,112.	
PERMITS & MEMBERSHIP	3,323.	2,017.	758.	548.	
EVENT EXPENSE	57,559.	5,732.	0.	51,827.	
OFFICE EXPENSE	53,745.	30,122.	9,483.	14,140.	
FIREMAN FUND	273,279.	273,279.	0.	0.	
CONSULTANTS - TECHNOLOGY	24,954.	14,837.	8,130.	1,987.	
STAFF & BOARD TRAINING	26,609.	6,368.	17,168.	3,073.	
AMORTIZATION	575.	575.	0.	0.	
TOTAL TO FM 990, LN 43	690,445.	574,838.	41,129.	74,478.	

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	3
DESCRIPTION		AMOUNT	
DIRECT PARTICIPANT SUPPORT		41,697.	
TOTAL TO FORM 990, PART II, LINE 23		41,697.	

FORM 990	OTHER PROGRAM SERVICES	STATEMENT	4
DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES	
ONE FAMILY PROGRAM		453,991.	
TOTAL TO FORM 990, PART III, LINE E		453,991.	

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT	5
SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES	
INVESTMENTS				229,758.	229,758.	
MARKETABLE SECURITIES				202.	202.	
TO 990, LN 54 COL B				229,960.	229,960.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	6
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER SOFTWARE	5,581.	5,581.	0.
JK SECURITY	575.	575.	0.
STOVE-COUNTRY LV. CTR.	1,004.	1,004.	0.
COMPUTERS	4,100.	4,100.	0.
PRINTER	695.	695.	0.
WASHING MACHINE	554.	554.	0.
CURTAINS SUN PORCH	1,323.	1,323.	0.
JSH FURNITURE	580.	580.	0.
THIS END UP	759.	759.	0.
LAFFERTY	175.	175.	0.
THIS END UP	606.	606.	0.
COMP USA	1,014.	1,014.	0.
COMP USA	2,200.	2,200.	0.
INFOCOM	975.	975.	0.
KONICA BUSINESS MACHINES	3,295.	3,295.	0.
APPRISE SOFTWARE	3,000.	2,482.	518.
LOFT 1981	10,662.	7,282.	3,380.
LOFT 1982	8,641.	5,760.	2,881.

CHAPEL 1983	965.	965.	0.
WINDOW 302 ESSEX	8,000.	8,000.	0.
CARPORT	7,500.	3,500.	4,000.
COMPLETE ANNEX	5,300.	2,475.	2,825.
WOODSTOVE	964.	964.	0.
KITCHEN CEILING	1,800.	1,800.	0.
FURNACE	6,000.	6,000.	0.
KITCHEN FLOOR	1,660.	1,660.	0.
OFFICE	1,750.	1,750.	0.
WEST SIDING	3,955.	3,955.	0.
PAINT HOUSE	4,800.	4,800.	0.
HOT WATER HEAT	1,200.	1,200.	0.
WINDOWS EN ACT	5,710.	5,710.	0.
FAULK BROS	2,850.	2,850.	0.
ED JENKINS	755.	755.	0.
MATQUIS & ELLIS	625.	625.	0.
MOR ENG SEPT	1,500.	1,500.	0.
NEW SEPTIC	29,810.	29,810.	0.
CHIMNEY	725.	725.	0.
ROY SPITTLE	485.	485.	0.
FUSE BOX	500.	500.	0.
ELLIS & COMPANY	825.	825.	0.
BATH RENOV	4,500.	3,375.	1,125.
ELLIS NEW BATHROOM	3,980.	2,587.	1,393.
UNIS NEW BATHROOM	3,300.	2,145.	1,155.
SANDBORN PAINTING	2,000.	2,000.	0.
SANDBORN PAINTING	2,700.	2,700.	0.
ELLIS RENOVATION	7,609.	4,185.	3,424.
NARDONE CONSTRUCTION	3,000.	1,650.	1,350.
EDUCATION CENTER	311,836.	77,961.	233,875.
ELLIS COMPANY	8,843.	1,917.	6,926.
FURNITURE & FIXTRURES	12,948.	12,948.	0.
CUSTOM COMPUTER	295.	295.	0.
DISHWASHER	2,198.	2,198.	0.
TINY PLANET	3,178.	2,120.	1,058.
R. KOCH	348.	348.	0.
CAPITAL OFFICE FURN.	490.	490.	0.
ELLIS COMPANY	250.	250.	0.
COMPUTER TOWN PRINTER	277.	249.	28.
R. KOCH (COMPUTER)	662.	662.	0.
CAPITAL OFFICE FURN	1,019.	1,019.	0.
STAPLES (COPIER)	675.	675.	0.
COMPUTER TOWN (COMPUTER)	1,124.	1,124.	0.
BUILDING WASHINGTON ST	99,000.	56,100.	42,900.
FURNITURE WASHINGTON STREET	3,460.	3,460.	0.
THIS END UP	982.	982.	0.
POTTERY BARN (RUG)	437.	437.	0.
BUILDING IMP WASH	89,700.	50,830.	38,870.
ELLIS & COMPANY	450.	450.	0.
NARDONE	2,250.	1,238.	1,012.
NARDONE	2,350.	1,293.	1,057.
BUILDING CHEST	161,100.	85,918.	75,182.
THIS END UP	4,014.	4,014.	0.

THIS END UP	582.	582.	0.
MODERN HOME AP	600.	600.	0.
EQUIPMENT	616.	616.	0.
JM WALSH (OIL TANK)	1,100.	1,100.	0.
BUILD IMP CHEST	94,000.	46,999.	47,001.
ACTION INC.	8,645.	4,322.	4,323.
BUILD IMP CHESTNUT	800.	388.	412.
MARQ & ELLIS F	800.	800.	0.
302 ESSEX ST. LAND	35,000.	0.	35,000.
99 WASHINGTON ST. LAND	11,000.	0.	11,000.
11 CHESTNUT ST. LAND	17,900.	0.	17,900.
302 ESSEX ST. BUILDING	105,000.	73,500.	31,500.
FURNITURE & FIXTURES	15,818.	15,818.	0.
MACINTOSH COMPUTER	1,708.	1,708.	0.
VOICE MAIL SYSTEM - ESSEX	1,500.	675.	825.
FLOORING - WASHINGTON	3,333.	241.	3,092.
OFFICE FURNITURE/CHAIRS - ED			
CENTER	299.	175.	124.
302 ESSEX VARIANCE	1,735.	1,065.	670.
EMERSON AVENUE	239,063.	17,266.	221,797.
EMERSON AVE - LAND	190,000.	0.	190,000.
BUILDING IMPROVEMENTS- ESSEX	2,500.	242.	2,258.
BUILDING IMPROVEMENTS - ESSEX	1,935.	178.	1,757.
BUILDING IMPROVEMENTS - ESSEX	5,000.	445.	4,555.
BATHROOM - ESSEX	4,448.	395.	4,053.
FURNITURE & FIXTURES - ESSEX	1,916.	1,117.	799.
COMPUTERS - ESSEX	1,649.	990.	659.
COMPUTER WIRING	8,437.	3,628.	4,809.
COMPUTER CAPBLES	4,690.	2,017.	2,673.
COMPUTER SERVER	1,210.	521.	689.
MODEMS, CABLES	439.	189.	250.
WORKSTATIONS	17,138.	7,369.	9,769.
VIRUS SOFTWARE	1,672.	719.	953.
PRINTERS	2,781.	1,196.	1,585.
COMPUTER	814.	350.	464.
WORKSTATION INSTALLATION	1,120.	482.	638.
WORK PLAN ROUTER	431.	186.	245.
FLOORING WASHINGTON	1,477.	160.	1,317.
HEATING SYSTEM - WASHINGTON	6,575.	1,151.	5,424.
HEATING SYSTEM - WASHINGTON	8,150.	1,290.	6,860.
6 STOVES WASHINGTON	800.	440.	360.
WINDOWS & DOORS	6,982.	873.	6,109.
BOILER - CHESTNUT	4,583.	840.	3,743.
ROOF - CHESTNUT	4,300.	262.	4,038.
HEATING BASEBOARD	3,374.	534.	2,840.
BUILDING IMPROVEMENTS	1,730.	111.	1,619.
BUILDING IMPROVEMENTS	1,898.	68.	1,830.
COMPUTER	2,081.	1,144.	937.
COPY MACHINE	1,098.	538.	560.
COPY MACHINGE	1,098.	538.	560.
DELL COMPUTER	3,440.	2,098.	1,342.
TOTAL TO FORM 990, PART IV, LN 57	1,701,658.	641,360.	1,060,298.

FORM 990	OTHER ASSETS	STATEMENT	7
DESCRIPTION		AMOUNT	
LOAN ACQUISITION COST		4,314.	
DUE FROM OPERATING FUNDS		50,000.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		54,314.	

FORM 990	MORTGAGES PAYABLE	STATEMENT	8
DESCRIPTION		BALANCE DUE	
THE WARREN FIVE CENTS SAVINGS BANK		200,662.	
THE WARREN FIVE CENTS SAVINGS BANK		233,906.	
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B		434,568.	

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT	9
----------	---	-----------	---

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	RENTAL INCOME TO PROVIDE AFFORDABLE HOUSING AT THREE LOCATIONS, RENTAL INCOME OF COMMUNITY BUILDINGS
93G	CONTRACT WITH COMMONWEALTH OF MASSACHUSETTS TO PROVIDE FAMILY SHELTER PROGRAM
95	INTEREST EARNED ON CASH & CASH EQUIVALENTS

SCHEDULE A	OTHER INCOME			STATEMENT 10
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
	0.	0.	11,200.	8,400.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	11,200.	8,400.

4562

Depreciation and Amortization
(Including Information on Listed Property) **990**

▶ See separate instructions ▶ Attach to your tax return

OMB No. 1545-0172

2001

Attachment
Sequence No. 87

Name(s) shown on return

Business or activity to which this form relates

Identifying number

WELLSPRING HOUSE, INC.

FORM 990 PAGE 2

04-2735048

Part I Election To Expense Certain Tangible Property Under Section 179 Note If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See instructions for a higher limit for certain businesses	1	24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2000 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2002 Add lines 9 and 10, less line 12	13	

Note Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	47,167.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	18,197.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3 year property						
b 5 year property						
c 7 year property						
d 10-year property						
e 15 year property						
f 20-year property						
g 25 year property			25 yrs		S/L	
h Residential rental property	/		27.5 yrs	MM	S/L	
	/		27.5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12 year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations see instr	22	65,364.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information** (Caution See instructions for limits for passenger automobiles.)**24a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use**25****26** Property used more than 50% in a qualified business use

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use

		%			S/L			
		%			S/L			
		%			S/L			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1**28****29** Add amounts in column (i), line 26. Enter here and on line 7, page 1**29****Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year Add lines 30 through 32						
34 Was the vehicle available for personal use during off duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	------------------------------------	------------------------------	------------------------	---	--------------------------------------

42 Amortization of costs that begins during your 2001 tax year

43 Amortization of costs that began before your 2001 tax year**43****44** Total. Add amounts in column (f). See instructions for where to report.**44**

Application for Extension of Time To File an
Exempt Organization Return

OMB No 1545 1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization	Employer identification number
	WELLSPRING HOUSE, INC.	04-2735048
	Number, street, and room or suite no. If a P O box, see instructions	
File by the due date for filing your return. See instructions	302 ESSEX AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	GLOUCESTER, MA 01930	

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

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3 month (6-month, for 990-T corporation) extension of time until FEBRUARY 18, 2003 to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ▶ ☐ calendar year _____ or
- ▶ ☒ tax year beginning JUL 1, 2001, and ending JUN 30, 2002

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

- c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature [Signature] Title CPA Date

LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)

Grandmaison & Tripoli, LLP

CERTIFIED PUBLIC ACCOUNTANTS
and BUSINESS ADVISORS

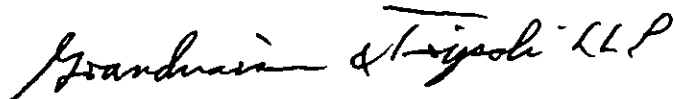
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Wellspring House, Inc

We have audited the accompanying statement of financial position of Wellspring House, Inc , as of June 30, 2002 and 2001, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wellspring House, Inc as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Danvers, MA
September 3, 2002

WELLSPRING HOUSE, INC.
FINANCIAL STATEMENTS
June 30, 2002

CONTENTS

Independent Auditor's Report

Financial Statements

- **Statement of Financial Position - June 30, 2002 and 2001**
- **Statement of Activity and Change in Net Assets**
Years ended June 30, 2002 and June 30, 2001
- **Statement of Cash Flows**
Years ended June 30, 2002 and June 30, 2001
- **Statements of Functional Expenses**
Years ended June 30, 2002 and June 30, 2001
- **Notes to the Financial Statements**

WELLSPRING HOUSE, INC
STATEMENT OF FINANCIAL POSITION
June 30, 2002 and 2001

<u>Assets</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL 6/30/02</u>	<u>TOTAL 6/30/01</u>
<u>Current Assets.</u>					
Cash	\$ 76 121	\$ 637,109	\$ 160 620	\$ 873 850	\$ 894 923
Investments	-	-	229 759	229 759	276 208
Receivables	50 350	20,000	-	70 350	25 326
Due from Operating Funds	-	-	50 000	50 000	-
Prepaid Expenses	8 199	-	-	8,199	7 212
<u>Total Current Assets</u>	<u>134 670</u>	<u>657 109</u>	<u>440 379</u>	<u>1,232 158</u>	<u>1,203 669</u>
<u>Property & fixtures.</u>					
Land	253 900	-	-	253 900	253 900
Buildings & Improvements	1,314 314	-	-	1,314 314	1 314,314
Furniture & Fixtures	133,442	-	-	133 442	133,442
	1,701,656	-	-	1 701 656	1 701 656
Less Accumulated Depreciation	(641,360)	-	-	(641,360)	(575 420)
<u>Net Property & Fixtures</u>	<u>1,060 296</u>	<u>-</u>	<u>-</u>	<u>1 060 296</u>	<u>1,126 236</u>
<u>Other Assets.</u>					
Loan Acquisition Costs Net	4 314	-	-	4 314	4 888
<u>Total Assets</u>	<u>\$ 1 199 280</u>	<u>\$ 657,109</u>	<u>\$ 440 379</u>	<u>\$ 2 296 768</u>	<u>\$ 2,334 793</u>
<u>Liabilities and Fund Balance</u>					
<u>Current Liabilities.</u>					
Accounts Payable & Accrued Liabilities	\$ 55 145	-	-	\$ 55 145	\$ 47 817
Accrued Payroll & Withheld Amounts	-	-	-	-	168
Due to Endowment Fund	50 000	-	-	\$ 50,000	-
Current Portion of Mortgages & Notes Payable	23,296	-	-	23 296	21 397
<u>Total Current Liabilities</u>	<u>128,441</u>	<u>-</u>	<u>-</u>	<u>128,441</u>	<u>69,382</u>
<u>Long Term Liabilities.</u>					
Long Term Portion of Mortgages & Notes Payable	411 272	-	-	411 272	434,568
<u>Total Long Term Liabilities</u>	<u>411 272</u>	<u>-</u>	<u>-</u>	<u>411,272</u>	<u>434,568</u>
<u>Total Liabilities</u>	<u>539,713</u>	<u>-</u>	<u>-</u>	<u>539,713</u>	<u>503,950</u>
<u>Net Assets</u>	<u>659,567</u>	<u>657 109</u>	<u>440,379</u>	<u>1 757 055</u>	<u>1 830 843</u>
<u>Total Liabilities & Net Assets</u>	<u>\$ 1 199 280</u>	<u>\$ 657 109</u>	<u>\$ 440 379</u>	<u>\$ 2 296 768</u>	<u>\$ 2 334,793</u>

See auditor's report and accompanying notes to financial statements

WELLSPRING HOUSE, INC.
STATEMENT OF ACTIVITY and
STATEMENT OF CHANGES IN NET ASSETS
Years Ended June 30, 2002 and June 30, 2001

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL 6/30/02	TOTAL 6/30/01
<u>Support.</u>					
Public Contributions	\$ 412,957	\$ 54,050	\$ 220,050	\$ 687,057	\$ 573,036
Grants	9,000	191,507		200,507	885,168
Grants Fireman		475,000		475,000	
Contributed Services & In-Kind Donations	-	138,505	-	138,505	150,079
Staff Contributions	3,600	-	-	3,600	3,600
Event/Program Support	181,639	36,131	-	217,770	157,149
<u>Total Support</u>	<u>607,196</u>	<u>895,193</u>	<u>220,050</u>	<u>1,722,439</u>	<u>1,769,032</u>
<u>Operating Revenue.</u>					
Department of Transitional Assistance	218,817	-	-	218,817	234,452
Rental Income	117,348	-	-	117,348	127,888
Interest/Investment Income	18,383	-	2,584	20,947	21,840
Unrealized Loss on Investments		-	(31,111)	(31,111)	(29,843)
<u>Total Operating Revenue</u>	<u>354,548</u>	<u>-</u>	<u>(28,547)</u>	<u>326,001</u>	<u>354,335</u>
Net Assets Released From Restrictions					
Satisfaction of program restrictions	917,834	(917,834)	-	-	-
Total Support & Revenue	<u>1,679,578</u>	<u>(22,641)</u>	<u>191,503</u>	<u>2,048,440</u>	<u>2,123,367</u>
<u>Expenses.</u>					
Program Services					
Family Shelter	387,053	-	-	387,053	352,901
Housing/Property	157,269	-	-	157,269	165,270
Education	241,420	-	-	241,420	189,161
MediClerk	41,441	-	-	41,441	15,029
JumpStart	15,569	-	-	15,569	6,531
Cape Ann Families	179,345	-	-	179,345	186,682
Economic Development	141,292	-	-	141,292	111,434
<u>Total Program Services</u>	<u>1,163,389</u>	<u>-</u>	<u>-</u>	<u>1,163,389</u>	<u>1,027,008</u>
<u>Special Program Services.</u>					
One Family	455,982	-	-	455,982	303,690
<u>Total Special Program Services</u>	<u>455,982</u>	<u>-</u>	<u>-</u>	<u>455,982</u>	<u>303,690</u>
<u>Supporting Services.</u>					
Management & General	267,545	-	-	267,545	265,985
Fund Raising	235,312	-	-	235,312	163,347
<u>Total Support Services</u>	<u>502,857</u>	<u>-</u>	<u>-</u>	<u>502,857</u>	<u>429,332</u>
Total Expenses	<u>2,122,228</u>	<u>-</u>	<u>-</u>	<u>2,122,228</u>	<u>1,760,030</u>
Increase (Decrease) in Net Assets	<u>(242,650)</u>	<u>(22,641)</u>	<u>191,503</u>	<u>(73,788)</u>	<u>363,337</u>
Net Assets, Beginning of Year	<u>902,217</u>	<u>679,750</u>	<u>248,876</u>	<u>1,830,843</u>	<u>1,467,506</u>
Net Assets, End of Year	<u>\$ 659,567</u>	<u>\$ 657,109</u>	<u>\$ 440,379</u>	<u>\$ 1,757,055</u>	<u>\$ 1,830,843</u>

WELLSPRING HOUSE, INC.
STATEMENT OF CASH FLOWS
Years Ended June 30, 2002 and June 30, 2001

	6/30/02	6/30/01
CASH FLOWS FROM OPERATING ACTIVITIES		
Earned revenue received from		
Operating Activities	\$ 308,724	\$ 332,495
Public & Grant Support	1 362 493	1 461 803
Contributed Services & In-Kind Donations	138 505	150 079
Event & Program Support	217 771	157,148
Interest Received	20 947	21,840
<i>Total Earned Revenue Received</i>	<u>2,048 440</u>	<u>2 123,365</u>
Cash Paid for		
Salaries and Related Expenses * On going	(980,312)	(864,113)
Other Operating Expenses	(1,067 804)	(936,358)
<i>Total Cash Paid for operating activities</i>	<u>(2 048,116)</u>	<u>(1 800 471)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>324</u>	<u>322 894</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Building Improvements Additions	-	(38 391)
Furniture & Fixtures	-	(47 925)
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(86 316)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments of Debt	(21,397)	(19 648)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(21 397)</u>	<u>(19,648)</u>
NET INCREASE IN CASH	(21,073)	216 930
CASH AT BEGINNING OF YEAR	894 923	677 993
CASH AT END OF YEAR	<u>\$ 873,850</u>	<u>\$ 894,923</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	\$ (73 788)	\$ 363 337
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and Amortization	66,515	53 498
Decrease(Increase) in Investments	42,616	(132 183)
Decrease (Increase) in Receivables	(41,429)	33 282
Decrease(Increase) in Prepaid Expenses	(784)	1 651
Increase (Decrease) in Accounts Payable & Accruals	7 362	3 141
Increase (Decrease) in Accrued Payroll & Withholdings	(168)	168
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 324</u>	<u>\$ 322,894</u>

WELLSPRING HOUSE, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2002

	Program Services						Special Program Services		Support Services			TOTAL EXPENSES		
	Family Shelter	Housing/Property	Education Programs	Jump Start	MediClerk	Cape Ann Families	Economic Development	TOTAL PROGRAM SERVICES	One-Family	SPECIAL PROGRAM SERVICES	Mgmt & General		Development	TOTAL SUPPORT SERVICES
1 Salaries	\$ 231,547	\$ 14,681	\$ 121,602	\$ 2,240	\$ 13,393	\$ 70,110	\$ 87,462	\$ 541,035	\$ 69,913	\$ 69,913	\$ 139,348	\$ 102,773	\$ 242,121	\$ 853,069
2 Payroll Taxes	22,628	2,264	11,316			7,544	7,544	51,296	4,517	4,517	12,070	7,544	18,614	75,427
3 Employee Fringe Benefits	12,869	1,124	5,623			4,731	5,166	29,513	3,353	3,353	3,155	3,748	6,903	39,789
Total Salaries and Related Expenses														
	267,044	18,069	138,541	2,240	13,393	82,385	100,172	621,844	77,783	77,783	154,573	114,085	268,638	968,265
4 Occupancy Rent														
5 Utilities	15,600					10,900	6,600	33,100						33,100
6 Telephone	10,279	13,612	1,941	-	147	384	384	26,747	2,635	2,635	2,017	982	2,999	32,381
7 Interest	4,197	317	1,589	-	780	1,061	1,205	9,149	635	635	2,245	1,035	3,280	13,064
8 Insurance	5,811	26,870	2,904	-	-	-	-	35,585	1	1	1,478	1,478	2,956	38,542
9 Insurance	4,862	6,401	-	-	-	-	-	11,263	-	-	1,447	-	1,447	12,710
9 Real Estate Taxes	4,825	9,338	1,448	-	-	-	-	15,709	-	-	827	812	1,639	17,348
10 Repairs & Maintenance	9,183	19,834	3,050	-	-	813	628	33,518	424	424	4,038	1,526	5,564	39,508
11 Household Supplies	3,483	789	529	-	-	11	-	4,812						4,812
12 Fireman Fund									273,279	273,279				273,279
13 Food	10,121	175	949	-	207	2,803	576	14,831	602	602	1,126	154	1,280	16,713
14 Participant Support	2,229	28,791	2,485	-	4,341	857	-	39,703	1,994	1,994				41,697
15 In-Kind Consultants & Support	17,423	336	48,442	-	-	19,411	8,734	84,346	-	-	18,120	28,038	44,158	138,504
16 Travel/Transportation	652	178	1,227	202	999	583	706	4,547	3,532	3,532	186	-	186	8,265
17 Consultants	213	110	13,626	11,860	19,600	36,726	7,810	89,945	4,877	4,877	632	-	632	95,554
18 Consultants-Technology	5,960	596	3,055			2,047	1,987	13,645	1,192	1,192	8,130	1,987	10,117	24,954
19 Program Expense	1,102	75	4,411	951	1,093	7,271	2,312	17,215	73,414	73,414	687	1,112	1,779	92,408
20 Permits & Memberships	1,415	210	100	33		75	184	2,017			758	548	1,306	3,323
21 Event Expense	-	-	-		-	1,819	3,300	5,119	613	613		51,827	51,827	57,559
22 Professional Fees	-	4,900	-	-	-	-	-	4,900	-	-	38,413	434	38,847	43,747
23 Office Supplies & Expense	3,734	3,536	4,323	283	881	3,058	2,139	17,954	11,591	11,591	9,484	14,140	23,624	53,169
24 Staff & Board Training	390	450	2,632	-	-	586	470	4,528	1,840	1,840	17,168	3,073	20,241	28,609
25 Printing & Postage	934	89	681	-	-	956	1,359	4,029	341	341	1,492	14,342	15,834	20,204
Total Expenses Before Depreciation														
	369,567	135,684	231,933	15,569	41,441	171,746	138,566	1,104,506	454,853	454,853	262,801	233,553	498,354	2,055,713
26 Depreciation of Building & Fixtures	17,486	21,585	9,487	-	-	7,599	2,726	58,883	1,129	1,129	4,744	1,759	6,503	68,515
Total Expenses	\$ 387,053	\$ 157,269	\$ 241,420	\$ 15,569	\$ 41,441	\$ 179,345	\$ 141,292	\$ 1,163,389	\$ 455,982	\$ 455,982	\$ 267,545	\$ 235,312	\$ 502,857	\$ 2,122,228

See auditor's report and accompanying notes to financial statements

WELLSPRING HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2001

	Program Services					Special Program Services			Support Services			TOTAL EXPENSES		
	Family Shelter	Housing/Property	Education Programs	Medi/Clerk	Cape Ann Sustainable Communities	Cape Ann Families	Economic Development	TOTAL PROGRAM SERVICES	Fireman & Next Step	TOTAL SPECIAL PROGRAM SERVICES	Mgmt & General		Development	TOTAL SUPPORT SERVICES
1 Salaries	\$ 208 714	\$ 24 340	\$ 112 783	\$ 1 579	\$ 5 458	\$ 72 527	\$ 77 331	\$ 502 732	\$ 57 582	\$ 57 582	\$ 127 122	\$ 68 150	\$ 195 272	\$ 755 586
2 Payroll Taxes	20 977	2 013	10 068	-	610	6 540	6 540	46 749	3 296	3 296	10 566	6 514	17,080	67 125
3 Employee Fringe Benefits	9 413	901	4 570	210	183	4 874	4 141	24 272	3 768	3 768	9 221	4 141	13 382	41 402
Total Salaries and Related Expenses														
	239,104	27 254	127 422	1 789	6 231	83 941	88 012	573 753	64 846	64 846	146 909	78 805	225 714	864 113
4 Occupancy Rent	15 400	-	-	-	-	10 800	4 950	31 150	-	-	-	-	-	31 150
5 Utilities	6 776	19 484	1 795	25	-	103	133	28 316	1 890	1 890	1,878	1,040	2 918	33 122
6 Telephone	3 982	350	1 804	247	297	1 240	1 454	9 374	600	600	1,829	1,164	2 993	12 967
7 Interest	6 308	27 671	3 157	-	-	-	-	37,136	-	-	1 581	1 581	3 162	40 298
8 Insurance	2,830	6 391	250	-	-	-	-	9,571	-	-	1 183	-	1 183	10 754
9 Real Estate Taxes	3 372	9 736	1 687	-	-	-	-	14 795	-	-	844	844	1 688	16 483
10 Repairs & Maintenance	13 226	23 411	8,218	-	-	628	690	47 173	1,020	1 020	1 347	876	2 223	50 416
11 Household Supplies	3 745	1 526	26	-	-	-	-	5 297	148	148	-	-	-	5 445
12 Fireman Fund	-	-	-	-	-	500	-	500	201 531	201 531	100	-	100	202 131
13 Food	10 145	20	466	105	-	2 498	157	13 391	1 068	1 068	1 553	213	1 766	16 225
14 Participant Support	3 063	26 736	335	175	-	350	-	30 659	-	-	410	50	460	31 119
15 In-Kind Consultants & Support	17 206	-	18 489	8 946	-	48 585	6 934	98 160	355	355	51 820	11 372	63 192	161 707
16 Travel/Transportation	410	61	1,002	280	-	1 311	253	3 297	1,823	1 823	121	113	234	5 354
17 Consultants	3 613	-	-	1 765	-	26 124	1 280	32 782	-	-	7,845	-	7 845	40 627
18 Program Expense	1 041	160	1 476	1 039	-	3 005	782	7 503	221	221	963	5 814	6 777	14 501
19 Permits & Memberships	1 135	315	254	12	-	316	1 910	3 942	50	50	1 091	510	1 601	5 593
20 Event Expense	-	1 700	-	-	-	1 554	38	3 292	500	500	-	35 040	35 040	38 832
21 Professional Fees	-	-	7 542	-	-	538	-	8 080	25 000	25 000	31 217	1 594	32,811	65 891
22 Office Supplies & Expense	3 177	368	6 395	592	-	3 367	2 856	16 775	3 816	3 816	6 909	3 870	10 779	31,370
23 Staff & Board Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Printing & Postage	591	259	1 234	74	3	1 820	1 361	5 442	1 022	1 022	5 066	16 917	21 983	28 447
Total Expenses Before Depreciation														
	335 224	145 442	182 552	15 029	6 531	184 800	110 810	980 388	303 690	303 690	262 684	159 803	422 467	1 706 545
25 Depreciation of Building & Fixtures	17 677	19 828	6 609	-	-	1 882	624	46 620	-	-	3 321	3 544	6,865	53 485
Total Expenses														
	\$ 352 901	\$ 165 270	\$ 189 161	\$ 15 029	\$ 6 531	\$ 186 682	\$ 111 434	\$ 1 027 008	\$ 303 690	\$ 303 690	\$ 265 985	\$ 163 347	\$ 429 332	\$ 1 760 030

See auditor's report and accompanying notes to financial statements

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

1. GENERAL

Wellspring House, Inc , (a corporation) is incorporated under the laws of Massachusetts and is recognized as a tax-exempt organization under Internal Revenue code section 501 (c) (3) Therefore, no provision is made for taxes on income

Wellspring House, Inc , is a non-denominational community organization which provides services to families and individuals who are homeless or in crisis in the Gloucester area The services provided include shelter, affordable housing, advocacy, education, and economic development

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared on the accrual basis of accounting. The significant accounting policies are described below

DISPLAY OF NET ASSETS BY CLASS

The Financial Statements presented for the Years ended June 30, 2002 and June 30, 2001, of Wellspring House, Inc are presented under the requirements of the Financial Accounting Standards Board (FASB) as set forth in Statement of Financial Accounting Standard No 117, "Financial Statements of Not-for-Profit Organizations," dated June 1993 Accordingly, the net assets of the Corporation are reported in each of the following three classes (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class

PROPERTY AND DEPRECIATION

Land, buildings and improvements, and furniture and fixtures are carried at cost, or in the case of contributed assets, at their fair market value at the date of receipt as determined by the corporation Improvements which materially add to the value of related assets or materially extend the useful life of assets are capitalized Normal building maintenance and minor equipment purchases are included as expenses

Depreciation is provided on a straight-line method based on the estimated useful life ranging from five years to thirty years Depreciation has been provided in the amount of \$ 66,515 and \$53,485 for the years ended June 30, 2002 and 2001 respectively

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

STAFF RENT AND CONTRIBUTIONS

Each resident staff member at 302 Essex Avenue contributes \$ 500 per month to the Corporation. The Board of Directors has determined that \$ 350 per month is a reimbursement by the staff members for their rent, utilities and food. The balance of the contribution is considered a donation for the operating expenses of the Corporation.

CONTRIBUTED SERVICES AND IN KIND DONATIONS

The organization receives legal, accounting, secretarial, counseling and support services for program participants without charge during the year. These services would be performed by compensated personnel if contributed services were not available in order for the organization to accomplish its purpose. The organization also receives goods such as food, household supplies, fuel, printing and program supplies from contributors. The estimated fair market value of the goods and services is reported as support and is expensed in the period in which goods and services are provided. The amount is \$138,505 and \$150,079 for the years ended June 30, 2002 and 2001 respectively.

REAL ESTATE TAXES

During the years ended June 30, 2002 and 2001, the Corporation paid 100% of its real estate taxes to the City of Gloucester. It has chosen this policy because, as part of the Gloucester community, it wants to contribute its share of City services. The amount of taxes paid for the years ended June 30, 2002 and 2001 was \$17,347 and \$16,483 respectively. The taxes paid in 2002 were more than in 2001 because in 2001, a portion of the taxes for 2001 were pre-paid. All tax payments were current at June 30, 2002.

INVESTMENTS

Investments are recorded at market value. Donated investments are recorded at approximate market value on the date of gift.

COMPENSATED ABSENCES

Employees of the corporation are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The company's policy is to recognize the costs of compensated absences when paid to employees.

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

FUNCTIONAL EXPENSE

Expenses are charged to each program as directly incurred. There is no indirect allocation of expense made.

PUBLIC SUPPORT

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

3. TEMPORARY RESTRICTED ASSETS

During Fiscal 2002, the Corporation received \$475,000 from the Paul and Phyllis Fireman Charitable Foundation. These funds were used to administer one of three components of the Fireman Foundation's One Family Initiative whose mission is to address family homelessness by promoting family self-sufficiency. It aims to end homelessness "one family at a time" and in so doing, awaken the broader public to the realization that we are all one family and that our public policies and private acts of charity need to be responsive to the plight of our poorest members. Wellspring House, Inc. administers the Direct Aid to Families component of the Initiative which helps each family create a life plan to achieve economic and personal stability and which provides scholarships and other support to help them get there. The \$475,000 grant is to be used in the following ways:

- a) \$50,000 for the North Shore Transition to Work Collaborative
- b) \$400,000 for the Fireman Scholars Program
- c) \$25,000 for the Next Step Education Fund which is intended to help families who have been unable to move beyond entry level jobs. It will enable some families in the One Family Initiative who earn between \$8-\$10 hour to access training. Grants will be in the \$500 - \$2,000 range.

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

4. MORTGAGES AND NOTES PAYABLE

	<u>6/30/02</u>	<u>6/30/01</u>
Note payable, From Warren Five Cent Savings Bank, Monthly principal and interest of \$3,020 Fixed rate of 8 5% maturing December 23, 2009 Secured by property at 302 Essex Ave , 99 Washington St and at 11 Chestnut St , Gloucester, MA	\$ 200,662	\$ 218,995
 Note payable, From Warren Five Cent Savings Bank, Monthly principal and interest of \$1,973 Fixed rate of 8 75% maturing May 10, 2025 Secured by property at 28 Emerson Ave , Gloucester, MA		
	<u>233,906</u>	<u>236,970</u>
 Subtotal	434,568	455,965
Less due within one year	<u>23,296</u>	<u>21,397</u>
	<u>\$ 411,272</u>	<u>\$ 434,568</u>

Principal payments due on long-term debt outstanding at June 30, 2002, during the five years succeeding 2002 are as follows

2003	\$ 23,296
2004	25,355
2005	27,616
2006	30,068
2007	32,738
All years after 2007	<u>295,495</u>
	<u>\$ 434,568</u>

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

5. CONTRACTS

DEPARTMENT OF TRANSITIONAL ASSISTANCE

In 2002 and 2001 the Corporation contracted with the Commonwealth of Massachusetts Department of Transitional Assistance to provide shelter services in the Cape Ann community. In Fiscal 2001, and the first two quarters of Fiscal 2002, the contract terms provided for reimbursement of costs not to exceed budgeted amounts. In the last two quarters of Fiscal 2002, the Corporation billed the Department of Transitional Assistance at a unit rate. Actual billed amount was \$218,817 and \$234,452 for the years ended June 30, 2002 and 2001 respectively.

6. COMMITMENTS

During Fiscal 2002, the Corporation entered into a property agreement with Pine Street Inn, Inc., a Massachusetts charitable corporation. The Pine Street Inn, Inc. will be the property manager of the lodging house located at 11 Chestnut Street, Gloucester. The term of the agreement will be for one year.

7. ENDOWMENT

During Fiscal 1998, the Board of Directors established the Wellspring House, Inc. Endowment Fund. An Endowment Policy was adopted and a Committee was appointed to invest the funds. Cape Ann Savings Bank Trust Department has been named as the administrator of the Endowment Fund. The Endowment Fund invests in socially responsible mutual funds. The Robert C. Rodgers Education Opportunity Fund, which at the end of June 30, 2002 amounted to \$34,420, will endow a number of scholarships for low-income women.

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

8. INVESTMENTS

The following is a comparison of the cost and market values of investments held at June 30, 2002 and June 30, 2001

	<u>June 30, 2002</u>		<u>June 30, 2001</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Permanently Restricted Assets				
Mutual Funds (Endowment)	<u>\$ 237,998</u>	<u>\$ 229,758</u>	<u>\$ 255,909</u>	<u>\$ 248,876</u>
	<u>\$ 237,998</u>	<u>\$ 229,758</u>	<u>\$ 255,909</u>	<u>\$ 248,876</u>

9. NEW PROGRAMS

Wellspring House, Inc started one new program and in addition continued work on one of last years new program during fiscal year 2002, which are

- a) Jump Start This is a program for men and women reading at eight grade level or below The new program started December 1, 2001 and ran through June 30, 2002, and was very successful The program was funded through "Workforce" located in Salem, MA Volunteers will fund the next program-cycle, if no State reimbursement is given for the first program-cycle
- b) Wellspring Kids The project is for a baby blanket of very high quality, which will come with a message (four different designs with an accompanying story) about the needs of poor families and Wellspring's work for them The cloth will be Malden Fleece, which will donate the fleece for the research stage Harvard Legal Services has offered to donate legal services Hill Holiday has offered to finance marketing research at a cost of \$30,000 (excluding their work, which will be donated) The project itself is to develop revenue for Wellspring House, Inc 's programs

WELLSPRING HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2002 and June 30, 2001

10. FIRE AT 99 WASHINGTON STREET

On May 14, 2002 an electric fire occurred at the property located at 99 Washington Street caused by high winds. Three units were damaged so the house has not been fully occupied since the fire. As of June 30, 2002 no construction cost had occurred which would amount to approximately \$60,000, a portion which is covered by insurance.

11. ORGANIZATION BUDGET FOR FISCAL YEAR 2002

The Board of Directors approved a budget for the year ending June 30, 2002 that required using a portion of the net assets of the corporation. The decision was made upon approval of the budget to continue operating the programs at the current spending level. There were additional costs incurred related to upgrading and maintaining the computer systems and networks at Wellspring House. The Board of Directors approved a balanced budget for June 30, 2003. The revenues raised will cover expenses.