

Form **990**

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)

OMB No 1545-0047

2002

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2002 calendar year, or tax year period beginning and ending

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

C Name of organization: **VITA LIVING, INC.**
 Number and street (or P O box if mail is not delivered to street address): **3300 S. GESSNER**
 Room/Suite: **150**
 City or town, state or country, and ZIP + 4: **HOUSTON, TX 77063**

D Employer identification number: **76-0037136**

E Telephone number: **713 271 5795**

F Accounting method: Cash Accrual
 Other (specify) ▶

G Web site: **VITALIVING.ORG**

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**

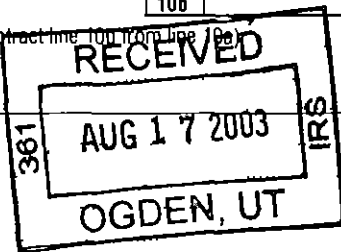
L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: **6,066,796.**

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)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1	Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	120,888.		
	b Indirect public support	1b	7,720.		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ <u>128,608.</u> noncash \$ _____)	1d		128,608.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		5,378,289.	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		19,103.	
	5 Dividends and interest from securities	5			
	6 a Gross rents SEE STATEMENT 1	6a	83,500.		
	b Less rental expenses SEE STATEMENT 2	6b	116,962.		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		<33,462.>	
7 Other investment income (describe ▶ _____)	7				
8 a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
		8a	3,800.		
	b Less cost or other basis and sales expenses	8b	5,675.		
	c Gain or (loss) (attach schedule)	8c	<1,875.>		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		<1,875.>		
9 Special events and activities (attach schedule)					
a	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			
10 a	Gross sales of inventory, less returns and allowances	10a			
	b Less cost of goods sold	10b			
	c 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		453,496.		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		5,944,159.		
Expenses	13 Program services (from line 44, column (B))	13		4,334,215.	
	14 Management and general (from line 44, column (C))	14		1,649,592.	
	15 Fundraising (from line 44, column (D))	15		39,604.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17		6,023,411.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<79,252.>		
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		2,949,074.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4	20		<26,764.>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		2,843,058.	

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Do not include amounts reported on line 6a, 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 \$ 275,557. noncash \$	22 275,557.	275,557.	STATEMENT 7	
23 Specific assistance to individuals (attach schedule)	23 246,208.	246,208.	STATEMENT 8	
24 Benefits paid to or for members (attach schedule)	24 3,400.	3,400.	STATEMENT 9	
25 Compensation of officers, directors, etc	25 191,801.	21,705.	170,096.	0.
26 Other salaries and wages	26 3,472,494.	2,820,294.	623,339.	28,861.
27 Pension plan contributions	27			
28 Other employee benefits	28 384,249.	28,570.	355,679.	
29 Payroll taxes	29 285,695.	240,529.	45,166.	
30 Professional fundraising fees	30			
31 Accounting fees	31 10,251.		10,251.	
32 Legal fees	32			
33 Supplies	33 99,424.	57,215.	36,767.	5,442.
34 Telephone	34 49,259.	28,322.	20,937.	
35 Postage and shipping	35 6,404.		5,165.	1,239.
36 Occupancy	36 85,880.	61,617.	24,263.	
37 Equipment rental and maintenance	37 134,025.	134,025.		
38 Printing and publications	38			
39 Travel	39 128,995.	45,296.	83,699.	
40 Conferences, conventions, and meetings	40 23,104.	3,002.	20,102.	
41 Interest	41 3,791.	3,687.	104.	
42 Depreciation, depletion, etc (attach schedule)	42 124,621.	55,513.	69,108.	
43 Other expenses not covered above (itemize) a b c d e SEE STATEMENT 5	43a 43b 43c 43d 43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44 6,023,411.	4,334,215.	1,649,592.	39,604.

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? SEE STATEMENT 6	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts but optional for others.)
a TO SERVE MENTALLY RETARDED ADULTS AND CHILDREN	
(Grants and allocations \$ _____)	4,334,215.
b	
(Grants and allocations \$ _____)	
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	4,334,215.

Part IV Balance Sheets

		(A) Beginning of year	(B) End of year
Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only			
Assets	45 Cash - non-interest-bearing	57,513.	297,475.
	46 Savings and temporary cash investments	909,559.	701,715.
	47 a Accounts receivable	739,280.	
	b Less allowance for doubtful accounts	85,000.	
		1,173,449.	654,280.
	48 a Pledges receivable		
	b Less allowance for doubtful accounts		
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	23,047.	20,765.
	54 Investments - securities STMT 10 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	148,551.	358,083.
	55 a Investments - land, buildings, and equipment: basis		
b Less accumulated depreciation			
56 Investments - other	0.	0.	
57 a Land, buildings, and equipment: basis	1,882,156.		
b Less accumulated depreciation	750,683.		
	1,075,754.	1,131,473.	
58 Other assets (describe ▶ DEPOSITS)	11,030.	22,818.	
59 Total assets (add lines 45 through 58) (must equal line 74)	3,398,903.	3,186,609.	
Liabilities	60 Accounts payable and accrued expenses	374,944.	277,711.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable	74,885.	65,840.
	65 Other liabilities (describe ▶)		
66 Total liabilities (add lines 60 through 65)	449,829.	343,551.	
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	2,949,074.	2,843,058.
	68 Temporarily restricted		
	69 Permanently restricted		
	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		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	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)	2,949,074.	2,843,058.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	3,398,903.	3,186,609.	

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

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 92 regarding organizational activities, financials, and compliance.

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a CERAMIC SALES			05	17,326.	
b					
c					
d					
e					
f Medicare/Medicaid payments					5,360,963.
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					19,103.
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					<33,462.>
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					<1,875.>
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a INSURANCE REFUND					275,915.
b PRIVATE PAY					177,581.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		17,326.	5,798,225.
105 Total (add line 104, columns (B), (D), and (E))					5,815,551.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	PROVIDE 24-7 RESIDENTIAL SERVICES & AT HOME SERVICES TO MENTALLY RETARDED INCLUDING BEHAVIOR MANAGEMENT & COMMUNICATION TRAINING TO IMPROVE THEIR QUALITY OF LIFE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

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

accompanying schedules and statements and to the best of my knowledge and belief it is true and correct
 all information of which preparer has any knowledge
 8/13/03 Date **Richard L. McCord CFO** Type or print name and title

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)		
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 5 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 5 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	181,940.	106,238.	129,743.	77,177.	495,098.
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	5,730,687.	5,541,471.	5,764,015.	4,868,340.	21,904,513.
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	37,908.	66,398.	57,356.	36,047.	197,709.
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					
23 Total of lines 15 through 22	5,950,535.	5,714,107.	5,951,114.	4,981,564.	22,597,320.
24 Line 23 minus line 17	219,848.	172,636.	187,099.	113,224.	692,807.
25 Enter 1% of line 23	59,505.	57,141.	59,511.	49,816.	
26 Organizations described on lines 10 or 11 a Enter 2% of amount in column (e), line 24					26a 13,856.
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 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the sum of all these excess amounts					26b 168,766.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 692,807.
d Add Amounts from column (e) for lines 18 197,709. 19 22 26b 168,766.					26d 366,475.
e Public support (line 26c minus line 26d total)					26e 326,332.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 47.1029%
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					
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					
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 1998 through 2001, 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?	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	
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	
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) 2002	(b) 2001	(c) 2000	(d) 1999	(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 11 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	Yes	No	Amount
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)			0.

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

FORM 990	RENTAL INCOME	STATEMENT 1
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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
REAL ESTATE, HOUSTON, TX	1	83,500.
TOTAL TO FORM 990, PART I, LINE 6A		83,500.

FORM 990	RENTAL EXPENSES	STATEMENT 2
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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
UTILITIES		1,065.	
LEASE EXPENSE		26,400.	
INTEREST		2,414.	
MAINTENANCE		31,980.	
DEPRECIATION		14,806.	
INSURANCE		20,205.	
TAXES		20,092.	
- SUBTOTAL -	1		116,962.
TOTAL TO FORM 990, PART I, LINE 6B			116,962.

FORM 990. GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
	VARIOUS	VARIOUS	PURCHASED	GROSS SALES PRICE	NET GAIN OR (LOSS)
AUTOMOBILES					
NAME OF BUYER	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC		
	3,800.	91,397.	0.	85,722.	<1,875.>
TO FM 990, PART I, LN 8	3,800.	91,397.	0.	85,722.	<1,875.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
BAD DEBT PROVISION	<35,000.>
UNREALIZED GAINS	8,233.
ROUNDING	3.
TOTAL TO FORM 990, PART I, LINE 20	<26,764.>

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
OTHER EXPENSES - PROGRAMS	28,350.	28,350.		
PROFESSIONAL - MEDICAL	2,699.	2,699.		
FOOD	45,764.	45,764.		
TRAINING	100,264.	100,264.		
PEST CONTROL	4,125.	4,125.		
TAXES - AD VALOREM	14,889.	14,889.		
UTILITIES	21,262.	21,262.		
OTHER EXPENSES - MANAGEMENT	28,146.		28,146.	
PROFESSIONAL OTHER	48,918.		48,918.	
INSURANCE	103,229.	30,183.	73,046.	
TAXES AND LICENSES	2,675.		2,675.	
MISCELLANEOUS EXPENSE	18,993.		18,993.	

DUES - ASSOCIATION	12,638.		12,638.	
DUES - OTHER	500.		500.	
OTHER EXPENSES -				
FUNDRAISING	4,062.			4,062.
STATE BED FEE	61,739.	61,739.		
TOTAL TO FM 990, LN 43	498,253.	309,275.	184,916.	4,062.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6
PART III

EXPLANATION

PROVIDE HOUSING & OTHER SERVICES TO MENTALLY RETARDED INDIVIDUALS

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
	VITA LIVING FOUNDATION	3300 GESSNER, HOUSTON, TX	COMMON BOARD OF DIRECTORS	275,557.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				275,557.

FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 8

DESCRIPTION	AMOUNT
OTHER ASSISTANCE PROVIDED	161,608.
REGISTERED NURSE	44,526.
LV NURSE	39,507.
PHYSICIAN	567.
TOTAL TO FORM 990, PART II, LINE 23	246,208.

FORM 990	BENEFITS PAID TO OR FOR MEMBERS	STATEMENT	9
DESCRIPTION		AMOUNT	
OTHER BENEFITS		3,400.	
TOTAL TO FORM 990, PART II, LINE 24		3,400.	

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT	10
SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES	
SECURITIES AND OTHER INVESTMENTS				358,083.	358,083.	
TO 990, LN 54 COL B				358,083.	358,083.	

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	11
DESCRIPTION		AMOUNT	
BAD DEBT		35,000.	
RENTAL EXPENSES		116,962.	
ROUNDING		<1.>	
TOTAL TO FORM 990, PART IV-B		151,961.	

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	12
DESCRIPTION		AMOUNT	
RENTAL EXP		<116,962.>	
ROUNDING		1.	
TOTAL TO FORM 990, PART IV-A		<116,961.>	

FORM 990.

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RENEE WALLACE 3300 GESSNER HOUSTON, TX	CHAIRMAN FULL	80,679.	0.	0.
SANDY YOUNG 3300 GESSNER HOUSTON. TX	EXECUTIVE DIRECTOR FULL	43,410.	0.	0.
RICHARD MCCORD 3300 GESSNER HOUSTON, TX	CFO FULL	67,712.	0.	0.
MICHAEL RUBENSTEIN 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
IRVING POZMANTIER 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
MILLIE COWEN 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
NAOMI DEMPSEY 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
MICHAEL BRAY 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
MALLORY ROBINSON 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
ANN LANG ELLIS 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.
HERB MILLS 3300 GESSNER HOUSTON, TX	DIRECTOR 2	0.	0.	0.

VITA LIVING, INC.

76-0037136

MELBA LANG
3300 GESSNER
HOUSTON, TX

DIRECTOR
2

0. 0. 0.

ANDREW WALLACE
3300 GESSNER
HOUSTON, TX

DIRECTOR
2

0. 0. 0.

TOTALS INCLUDED ON FORM 990, PART V

191,801. 0. 0.

En.J of Year Summary Report - Sorted by ASSET A/C#

Company VITALIVING

Method 2 - BOOK

Std Conv Applied

Range 151001 - 158099

Date 12/31/02

File C \AKDATA\VITALI-1

Page 1

Date 07/21/03

Time 15 56 20

Asset A/C#	Account Name	Cost	Depr Basis	Includes Section 179			Next Yr Depr	Net Book Value
				Beq A/Depr	Curr Depr	End A/Depr		
151001 - BUILDING BEECHNUT								
Totals for	151001 (6 assets)	129,388 66	116,604 18	76,488 05	3,235 19	79,723 24	2,890 63	49,665 42
151002 - BUILDING-CAMPBELL								
Totals for	151002 (5 assets)	120 789 00	108 890 60	65,274 29	2 195 99	67 470 28	2,195 99	53 318 72
151004 - BUILDING								
Totals for	151004 (9 assets)	153,363 25	138,598 75	22 317 61	5,237 04	27,554 65	5,237 04	125,808 60
151004 03 - BUILDING ALU								
Totals for	151004 03 (12 assets)	343,897 43	310,767 51	50,334 69	10,643 44	60,978 13	10,855 62	282,919 30
151006 - BUILDING SMITHFIELD								
Totals for	151006 (6 assets)	67 996 00	61 356 00	26,137 30	1 997 40	28,134 70	1 997 40	39,861 30
153001 - EQUIPMENT-BEECHNUT								
Totals for	153001 (24 assets)	25,171 65	23,923 91	17 830 91	1,317 65	19 148 56	1,264 08	6,023 09
153002 - EQUIPMENT-CAMPBELL								
Totals for	153002 (26 assets)	18 813 70	18 161 19	15,136 24	1,071 48	16 207 72	648 08	2,605 98
153003 - EQUIPMENT								
Totals for	153003 (3 assets)	3 919 88	3,919 88	1,927 24	783 98	2,711 22	664 19	1 208 66
153003 01 - EQUIPMENT								
Totals for	153003 01 (24 assets)	12,792 81	12,730 01	9,364 47	1,633 57	10,998 04	1 177 40	1,794 77
153003 02 - EQUIPMENT								
Totals for	153003 02 (7 assets)	7,162 61	7,048 01	5,152 64	421 76	5 574 40	421 76	1,588 21
153004 - EQUIPMENT								
Totals for	153004 (87 assets)	135 766 05	134 268 64	87,218 18	13 644 27	100,862 45	9 659 60	34 903 60
153004 03 - EQUIPMENT-ALU								
Totals for	153004 03 (44 assets)	42,951 09	41,699 94	23,170 08	3,036 33	26 206 41	2,968 91	16 744 68
153004 2 - EQUIPMENT ALU								
Totals for	153004 2 (12 assets)	8 585 46	8 585 46	4,191 34	1,051 25	5,242 59	1,099 20	3,342 87
153006 - EQUIPMENT-SMITHFIELD								
Totals for	153006 (44 assets)	32,644 47	31,625 51	23,854 11	2 314 02	26,168 13	2 071 61	6,476 34
153007 - EQUIPMENT								
Totals for	153007 (14 assets)	10,104 43	9,958 69	8,188 03	720 83	8,908 86	633 91	1,195 57

Asset A/C#	Account Name	Cost	Depr Basis	Includes Section 179		Next Yr Depr	Net Book Value	
				Beg A/Depr	Curr Depr			
153091 - EQUIPMENT								
Totals for 153091	(5 assets)	6,567.85	6,567.85	5,113.24	804.09	5,917.33	415.37	650.52
153099 - EQUIPMENT								
Totals for 153099	(43 assets)	53,439.92	52,261.08	38,721.69	4,400.75	43,122.44	3,715.14	10,317.48
154003 - VEHICLE TIC TAC								
Totals for 154003	(1 assets)	20,832.39	20,832.39	0.00	2,430.45	2,430.45	4,166.48	18,401.94
154003 01 - VEHICLES								
Totals for 154003 01	(6 assets)	70,988.19	70,988.19	42,510.62	14,197.65	56,708.27	8,563.95	14,279.92
154006 - TRANSPORTATION EQUIPMENT								
Totals for 154006	(1 assets)	21,021.70	21,021.70	12,963.39	4,204.34	17,167.73	3,853.97	3,853.97
154091 - VEHICLES								
Totals for 154091	(20 assets)	249,874.55	249,874.55	64,854.52	46,320.79	111,175.31	42,860.49	138,699.24
155002 - LAND CAMPDELL								
Totals for 155002	(1 assets)	27,105.77	27,105.77	0.00	0.00	0.00	0.00	27,105.77
155004 - LAND WANDA								
Totals for 155004	(1 assets)	60,660.00	60,660.00	0.00	0.00	0.00	0.00	60,660.00
155004 03 - LAND ALU'S								
Totals for 155004 03	(3 assets)	82,545.73	82,545.73	0.00	0.00	0.00	0.00	82,545.73
155006 - LAND SMITHFIELD								
Totals for 155006	(1 assets)	12,474.76	12,474.76	0.00	0.00	0.00	0.00	12,474.76
156004 - LAND IMPROVEMENTS								
Totals for 156004	(3 assets)	10,433.00	10,433.00	5,220.02	1,033.75	6,253.77	1,033.75	4,179.23
158003 - LEASEHOLD IMPROVEMENTS								
Totals for 158003	(12 assets)	97,473.69	90,038.69	2,786.63	3,089.04	5,875.67	3,817.02	91,598.02
158004 - LEASEHOLD IMP								
Totals for 158004	(3 assets)	14,136.00	14,136.00	14,136.00	0.00	14,136.00	0.00	0.00
158004 03 - LEASEHOLD IMPROVEMENTS								
Totals for 158004 03	(2 assets)	37,565.00	33,808.30	796.14	1,126.94	1,923.08	1,126.94	35,641.92
158099 - LEASEHOLD IMP								
Totals for 158099	(1 assets)	3,690.50	3,321.50	0.00	83.04	83.04	110.72	3,607.46

Asset A/C#	Account Name	Cost	Depr Basis	Includes Section 179			Next Yr Depr	Net Book Value
				Beq A/Depr	Curr Depr	End A/Depr		
Total Assets (426 assets)		<u>1,882,155 54</u>	<u>1,784,207 79</u>	<u>623,687 43</u>	<u>126,995 04</u>	<u>750,682 47</u>	<u>113,449 25</u>	<u>1 131,473 07</u>
	Disposed Assets Depreciation (5 assets)				<u>12,432 36</u>			
	Current Year Depreciation				<u>139 427 40</u>			

Page 2, Part II, line 42 124,621
 Page 1, Rental (stmt 2) 14,806
 Total \$ 139,427

Additional Summary Statistics for Assets

	Cost	Current Year Section 179	Depreciable Basis	Beginning Accum Depr	Current Depreciation	Ending Accum Depr	Net Book Value
Grand Totals for all assets	2 013 401 84	0 00	1,915,454 09	722 153 98	139 427 40	861 581 38	1,151,820 46
Less Inactive Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Disposed Assets	91 397 00	0 00	91 397 00	73 953 70	11 768 21	85,721 91	5,675 09
Traded Assets	39,849 30	0 00	39,849 30	24 512 85	664 15	25 177 00	14 672 30
Net Totals (Active Assets)	<u>1 882,155 54</u>	<u>0 00</u>	<u>1 784,207 79</u>	<u>623,687 43</u>	<u>126 995 04</u>	<u>750 682 47</u>	<u>1 131,473 07</u>

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 ▶
 - 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 <u>Vita Living Inc</u>	Employer identification number <u>76 0037136</u>
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions <u>3300 S Gessner #150</u>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <u>Houston Tx 77063</u>	

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 8/15, 2003, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 2002 or
 ▶ tax year beginning _____, 20____, and ending _____, 20____.

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

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

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

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

Signature and Verification

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

Signature ▶ Richard J McLeod Title ▶ CFO Date ▶ 5/15/03

