

Return of Organization Exempt From Income Tax

2002

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2002 calendar year, or tax year period beginning **JUL 1, 2002** and ending **JUN 30, 2003**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization REHABILITATION OPPORTUNITIES, INC.		D Employer identification number 52-0857131
		Number and street (or P O box if mail is not delivered to street address) Room/suite 5100 PHILADELPHIA WAY		E Telephone number (301) 731-4242
		City or town, state or country, and ZIP + 4 LANHAM, MD 20706		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

G Web site **WWW.ROIWORKS.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.

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: _____

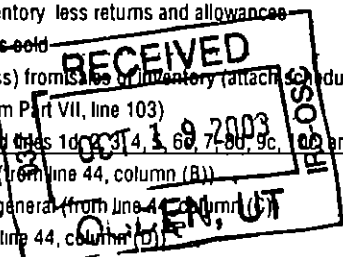
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: **2,996,452.**

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	128,939.		
	b	Indirect public support	1b	43,920.		
	c	Government contributions (grants)	1c	56,064.		
	d	Total (add lines 1a through 1c) (cash \$ <u>228,923.</u> noncash \$ _____)	1d	228,923.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)		2	2,123,612.	
	3	Membership dues and assessments		3		
	4	Interest on savings and temporary cash investments		4	12,120.	
	5	Dividends and interest from securities		5		
	6a	Gross rents	SEE STATEMENT 1	6a	170,145.	
	b	Less rental expenses	SEE STATEMENT 2	6b	40,941.	
	c	Net rental income or (loss) (subtract line 6b from line 6a)		6c	129,204.	
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	2,500.		
	c	Gain or (loss) (attach schedule)	8b	9,336.		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	<6,836.>		
8d			STMT 3	8d	<6,836.>	
Revenue	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			
Revenue	10a	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	459,152.		
12	Total revenue (add lines 1d, 2, 3, 6c, 7, 8d, 9c, 10c, and 11)		12	2,946,175.		
Expenses	13	Program services (from line 44, column (B))		13	2,499,081.	
	14	Management and general (from line 44, column (B))		14	242,626.	
	15	Fundraising (from line 44, column (B))		15	69,822.	
	16	Payments to affiliates (attach schedule)		16		
	17	Total expenses (add lines 16 and 44, column (A))		17	2,811,529.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)		18	134,646.	
	19	Net assets or fund balances at beginning of year (from line 73 column (A))		19	3,669,035.	
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4		20	<379,557.>	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	3,424,124.	

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	0.	0.	0.
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses not covered above (itemize)				
	a SEE ATTACHED	43a			
	b FUNCTIONAL EXPENSE	43b			
	c STATEMENT	43c	2,811,529.	2,499,081.	242,626.
	d _____	43d			
	e _____	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44	2,811,529.	2,499,081.	242,626.

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? <input type="checkbox"/>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts but optional for others)
PROVIDES SHELTERED EMPLOYMENT TO HANDICAPPED PERSONS	
a OPERATION OF WORKSHOP FOR MENTALLY AND PHYSICALLY HANDICAPPED	
(Grants and allocations \$ _____)	2,499,081.
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)	2,499,081.

Part IV Balance Sheets

Note		(A)		(B)	
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
Assets	45	Cash - non-interest-bearing	2,328.	45	944.
	46	Savings and temporary cash investments	1,017,093.	46	882,918.
	47 a	Accounts receivable	79,694.		
	b	Less allowance for doubtful accounts		47c	79,694.
	48 a	Pledges receivable			
	b	Less allowance for doubtful accounts		48c	
	49	Grants receivable	150,000.	49	
	50	Receivables from officers, directors, trustees, and key employees		50	
	51 a	Other notes and loans receivable			
	b	Less allowance for doubtful accounts		51c	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	29,042.	53	20,129.
	54	Investments - securities STMT 5 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	172,798.	54	167,632.
	55 a	Investments - land buildings, and equipment basis			
	b	Less accumulated depreciation		55c	
56	Investments - other		56		
57 a	Land, buildings, and equipment basis	7,298,618.			
b	Less accumulated depreciation	1,176,789.	57c	6,121,829.	
58	Other assets (describe <input type="checkbox"/> SEE STATEMENT 6)	152,534.	58	138,197.	
59	Total assets (add lines 45 through 58) (must equal line 74)	7,865,102.	59	7,411,343.	
Liabilities	60	Accounts payable and accrued expenses	654,918.	60	177,517.
	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	468,770.	64b	384,086.
	65	Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 7)	3,072,379.	65	3,425,616.
66	Total liabilities (add lines 60 through 65)	4,196,067.	66	3,987,219.	
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	2,149,035.	67	1,904,124.
	68	Temporarily restricted	1,520,000.	68	1,520,000.
	69	Permanently restricted		69	
	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)	3,669,035.	73	3,424,124.
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)	7,865,102.	74	7,411,343.

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		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes" attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes" enter the name of the organization _____ 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?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A
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 on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> section 4912 <u>0.</u> section 4955 <u>0.</u>		
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 <u>MARYLAND</u>		
b	Number of employees employed in the pay period that includes March 12, 2002	90b	267
91	The books are in care of <u>ORGANIZATION</u> Telephone no <u>301-731-4242</u>		
	Located at <u>LANHAM, MARYLAND</u> ZIP + 4 <u>20706</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

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

Note	Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue					
a						
b						
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					2,123,612.
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments			14	12,120.	
96	Dividends and interest from securities					
97	Net rental income or (loss) from real estate					
a	debt-financed property	531120	129,204.			
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					<6,836.>
101	Net income or (loss) from special events					
102	Gross profit or (loss) from sales of inventory					
103	Other revenue					
a	SERVICES TO PUBLIC					407,634.
b	OTHER INCOME			03	51,518.	
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E))		129,204.		63,638.	2,524,410.
105	Total (add line 104, columns (B), (D) and (E))					2,717,252.

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)
93	FEEES TO OPERATE WORKSHOP FOR MENTALLY AND PHYSICALLY HANIDACAPPED
103A	OPERATION OF WORKSHOP FOR MENTALLY AND PHYSICALLY HANDICAPPED
103B	OTHER INCOME USED TO OPERATE WORKSHOP FOR MENTALLY AND PHYSICALLY
&100	HANDICAPPED

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

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

accompanying schedules and statements and to the best of my knowledge and belief, it is true, information of which preparer has any knowledge
 10/16/03
 RORY BRETT - EXECUTIVE DIRECTOR
 Date Type of print name and title
 Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2002

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions)

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

Name of the organization

REHABILITATION OPPORTUNITIES, INC.

Employer identification number

52 0857131

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
RORY BRETT ----- 307 HEATHFIELD LANE ANNAPOLIS, MD	EXEC. DIR 45	105,373.	13,591.	
BARBARA A. STEWART ----- 68 SEABORNE DRIVE PASADENA, MD	ASSOC. DIR 40	52,423.	2,399.	

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) 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		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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1 000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	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.)	1,005,513.	205,047.	211,555.	186,781.	1,608,896.
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	2,486,823.	2,526,129.	2,623,831.	2,323,169.	9,959,952.
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	12,400.	79,116.	56,830.	31,998.	180,344.
19 Net income from unrelated business activities not included in line 18	126,804.	114,681.	111,209.	126,755.	479,449.
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	3,631,540.	2,924,973.	3,003,425.	2,668,703.	12,228,641.
24 Line 23 minus line 17	1,144,717.	398,844.	379,594.	345,534.	2,268,689.
25 Enter 1% of line 23	36,315.	29,250.	30,034.	26,687.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 45,374.
	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 0.
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c 2,268,689.
	d Add: Amounts from column (e) for lines 18 180,344. 19 479,449. 22				26d 659,793.
	e Public support (line 26c minus line 26d total)				26e 1,608,896.
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f 70.9174%
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: (2001) N/A (2000) (1999) (1998)				
	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: (2001) (2000) (1999) (1998)				
	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.

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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

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

- 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)

Yes	No	Amount
		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
KIND AND LOCATION OF PROPERTY		ACTIVITY NUMBER	GROSS RENTAL INCOME
5100-J PHILADELPHIA WAY, LANHAM, MD		1	170,145.
TOTAL TO FORM 990, PART I, LINE 6A			170,145.

FORM 990	RENTAL EXPENSES	STATEMENT	2
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
MORTGAGE INTEREST, REAL ESTATE TAXES, CLIENT MAINTENANCE		40,941.	
- SUBTOTAL -	1		40,941.
TOTAL TO FORM 990, PART I, LINE 6B			40,941.

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

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
			PURCHASED		
MISCELLANEOUS ASSETS					
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	2,500.	81,034.	0.	71,698.	<6,836.>
TO FM 990, PART I, LN 8	2,500.	81,034.	0.	71,698.	<6,836.>

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

DESCRIPTION	AMOUNT
UNREALIZED GAIN/LOSS	<7,800.>
CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT	<224,311.>
PRIOR PERIOD ADJUSTMENT	<147,446.>
TOTAL TO FORM 990, PART I, LINE 20	<379,557.>

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 5

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
CARNEGIE INTERNATIONAL CORP			23.		23.
NEUBERGER BERMAN STATE STREET - AURORA			2,892.		2,892.
STATE STREET - MIDCAP			22,116.		22,116.
MFS SER TR VALUE FUND			18,694.		18,694.
PUTNAM FDS SMALL CAP CLASS B			18,838.		18,838.
STATE STREET - CLASS B			25,366.		25,366.
VAN KAMPEN EQUITY SMALL CAP			65,232.		65,232.
TO 990, LN 54 COL B			14,471.		14,471.
			167,632.		167,632.

FORM 990	OTHER ASSETS	STATEMENT	6
DESCRIPTION		AMOUNT	
DEPOSIT		0.	
LOAN ORGANIZATION FEES - NET		3,675.	
BOND ISSUANCE COSTS - NET		134,522.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		138,197.	

FORM 990	OTHER LIABILITIES	STATEMENT	7
DESCRIPTION		AMOUNT	
SECURITY DEPOSIT		12,379.	
BONDS PAYABLE		3,060,000.	
INTEREST RATE SWAP AGREEMENT		353,237.	
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		3,425,616.	

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	8
DESCRIPTION		AMOUNT	
RENTAL EXPENSES		40,941.	
TOTAL TO FORM 990, PART IV-A		40,941.	

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	9
DESCRIPTION		AMOUNT	
RENTAL EXPENSES		40,941.	
TOTAL TO FORM 990, PART IV-B		40,941.	

Rehabilitation Opportunities, Inc
Statement of Functional Expenses
6/30/03

FEDERAL ID # 52-0857131

FORM 990 PART IV, LINE 57 A,B,C

	Life (in years)	<u>2003</u>	<u>2002</u>
Land	--	\$ 2,961,160	\$ 2,961,160
Building and improvements	10 - 40	2,709,454	589,347
Leasehold improvements	5 - 40	591,040	600,331
Automobiles	5	654,303	672,990
Equipment	5 - 15	259,744	257,541
Furniture and office equipment	5 - 10	77,409	76,334
Data processing equipment	5	45,508	47,170
Construction in progress	--	--	<u>2,022,181</u>
		7,298,618	7,227,054
Less accumulated depreciation		<u>(1,176,789)</u>	<u>(1,037,570)</u>
Total		<u><u>\$ 6,121,829</u></u>	<u><u>\$ 6,189,484</u></u>

Rehabilitation Opportunities, Inc
Statement of Functional Expenses
6/30/03

FEDERAL ID # 52-0857131

FORM 990 PART II, LINE 43

	Program Services		Total Program Services	Supporting Services		Total	
	Day Program	Supportive Employment		General and Administrative	Fundraising	2003	2002
Salaries	\$ 1 080 300	\$ 262 641	\$ 1 342 941	\$ 93 746	\$ 49 464	\$ 2,829 092	\$ 1 558 736
Client salaries	199 273	—	199 273	—	—	398 546	185 062
Payroll taxes	105 281	20 717	125 998	8 900	4 346	265 242	137 998
Employee benefits	85 159	17 395	102 554	19 035	4 331	228 474	132 708
Total salaries and related expenses	1 470 013	300 753	1 770,766	121 681	58 141	3 721 354	2 014 504
Depreciation and amortization	169 928	10 637	180,565	19,347	—	380,477	172 683
Interest	141 181	239	141,420	8 096	—	290,936	39,162
Transportation	111,252	5 577	116,829	4 800	—	238,458	117 022
Insurance	67,555	3 964	71 519	4,416	1 031	148 485	67 663
Utilities	41 431	13 466	54 897	5,029	2 532	117 355	49 825
Maintenance and repairs	24 638	6 273	30 911	16 331	947	79 100	31 391
Production supplies	52 965	—	52,965	—	—	105 930	60 662
Supplies	9 748	1 060	10 808	12 307	2 260	36 183	32,179
Bond letter of credit fees	—	—	—	24 762	—	24 762	18 520
Telephone	15 393	4 145	19 538	920	318	40 314	16 862
Professional fees	13 500	—	13 500	2,780	—	29 780	15 157
Advertising	11 570	—	11 570	—	2 367	25 507	19 156
Taxes	—	—	—	8 597	—	8 597	16 129
Dues and subscriptions	7,959	—	7 959	1 146	150	17 214	2,464
Rent	6 029	2 118	8 147	252	—	16 546	114,684
Miscellaneous	1	—	1	6 515	—	6 517	4 085
Seminars and training	4 905	—	4 905	594	—	10 404	6 382
Printing and publications	2 518	263	2 781	261	2,076	7,899	9 533
Bond administrative expenses	—	—	—	3,000	—	3 000	—
Bad debts	—	—	—	1 792	—	1,792	—
Fundraising	—	—	—	—	—	—	12 200
Total expenses	\$ 2 150 586	\$ 348,495	\$ 2 499 081	\$ 242 626	\$ 69 822	\$ 5 310 610	\$ 2 820 263

Fed ID # 52-0857131
Form 990 Part V

Rehabilitation Opportunities, Inc.
Board of Directors
June-03

PIB ✓

MC 8/13/03

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