

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

2003Open to Public
Inspection**A** For the 2003 calendar year, or tax year beginning

and ending

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**PRESBYTERIAN HOMES & FAMILY SERVICES, INC.**

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

150 LINDEN AVENUE

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

LYNCHBURG, VA 24503**D** Employer identification number**54-0346118****E** Telephone number**(434) 384-3138****F** Accounting method ☐ Cash ☒ Accrual
(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** Group Exemption Number ▶**M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).**G** Website: **WWW.PHFS.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 ▶**9,382,733.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

| | | | | | |
|---|--|----------------|-------------------|------------|-------------------------|
| 1 Contributions, gifts, grants, and similar amounts received: | | 1a | 2,054,760. | 1d | 2,054,760. |
| a Direct public support | | 1b | | 2 | 5,800,658. |
| b Indirect public support | | 1c | | 3 | |
| c Government contributions (grants) | | | | 4 | |
| d Total (add lines 1a through 1c) (cash \$ 2,054,760. noncash \$) | | | | 5 | 999,169. |
| 2 Program service revenue including government fees and contracts (from Part VII, line 93) | | | | 6c | |
| 3 Membership dues and assessments | | | | 7 | 27,403. |
| 4 Interest on savings and temporary cash investments | | | | 8d | 312,621. |
| 5 Dividends and interest from securities | | | | 11 | 185,929. |
| 6 a Gross rents | | | | 12 | 9,380,540. |
| b Less: rental expenses | | | | 13 | 8,839,345. |
| c Net rental income or (loss) (subtract line 6b from line 6a) | | | | 14 | 1,001,990. |
| 7 Other investment income (describe ▶ SEE STATEMENT 1) | | | | 15 | 284,602. |
| 8 a Gross amount from sales of assets other than inventory | | (A) Securities | 304,989. | 8a | 9,825. |
| b Less: cost or other basis and sales expenses | | | | 8b | 2,193. |
| c Gain or (loss) (attach schedule) | | | | 8c | 7,632. |
| d Net gain or (loss) (combine line 8c, columns (A) and (B)) \$TMT 2 | | | | 8d | 312,621. |
| 9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | | 9a | |
| a Gross revenue (not including \$ of contributions reported on line 1a) | | | | 9b | |
| b Less: direct expenses other than fundraising expenses | | | | 9c | |
| c Net income or (loss) from special events (subtract line 9b from line 9a) | | | | 10a | |
| 10 a Gross sales of inventory, less returns and allowances | | | | 10b | |
| b Less: cost of goods sold | | | | 10c | |
| c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | | | | 11 | 185,929. |
| 11 Other revenue (from Part VII, line 103) | | | | 12 | 9,380,540. |
| 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | | | | 13 | 8,839,345. |
| 13 Program services (from line 44, column (B)) | | | | 14 | 1,001,990. |
| 14 Management and general (from line 44, column (C)) | | | | 15 | 284,602. |
| 15 Fundraising (from line 44, column (D)) | | | | 16 | |
| 16 Payments to affiliates (attach schedule) | | | | 17 | 10,125,937. |
| 17 Total expenses (add lines 16 and 44, column (A)) | | | | 18 | <745,397.> |
| 18 Excess or (deficit) for the year (subtract line 17 from line 12) | | | | 19 | 54,134,026. |
| 19 Net assets or fund balances at beginning of year (from line 73, column (A)) | | | | 20 | 7,468,577. |
| 20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4 | | | | 21 | 60,857,206. |
| 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) | | | | | |

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12-17-03

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

28

SCANNED JUN 12 2004

**PRESBYTERIAN HOMES & FAMILY
SERVICES, INC.**

54-0346118

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 | 228,115. | 0. | 148,045. |
| 26 | Other salaries and wages | 26 | 5,617,249. | 5,152,514. | 371,222. |
| 27 | Pension plan contributions | 27 | 358,004. | 291,478. | 48,202. |
| 28 | Other employee benefits | 28 | 801,400. | 729,810. | 58,988. |
| 29 | Payroll taxes | 29 | 442,823. | 390,913. | 38,880. |
| 30 | Professional fundraising fees | 30 | | | |
| 31 | Accounting fees | 31 | | | |
| 32 | Legal fees | 32 | | | |
| 33 | Supplies | 33 | 136,358. | 98,345. | 31,077. |
| 34 | Telephone | 34 | 85,584. | 71,817. | 11,135. |
| 35 | Postage and shipping | 35 | 36,171. | 19,790. | 6,958. |
| 36 | Occupancy | 36 | 232,920. | 232,920. | |
| 37 | Equipment rental and maintenance | 37 | 157,512. | 157,512. | |
| 38 | Printing and publications | 38 | 9,867. | 9,867. | |
| 39 | Travel | 39 | 26,179. | 16,688. | 6,139. |
| 40 | Conferences, conventions, and meetings | 40 | | | |
| 41 | Interest | 41 | | | |
| 42 | Depreciation, depletion, etc. (attach schedule) | 42 | 674,539. | 613,099. | 61,440. |
| 43 | Other expenses not covered above (itemize): | | | | |
| a | _____ | 43a | | | |
| b | _____ | 43b | | | |
| c | _____ | 43c | | | |
| d | _____ | 43d | | | |
| e | SEE STATEMENT 5 | 43e | 1,319,216. | 1,054,592. | 219,904. |
| 44 | Total functional expenses (add lines 22 through 43) | 44 | 10,125,937. | 8,839,345. | 1,001,990. |
| | Organizations completing columns (B)-(D), carry these totals to lines 13-15 | | | | 284,602. |

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**

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 LYNCHBURG CHILDREN'S HOME - PHFS PROVIDES HIGH QUALITY HOME ENVIRONMENT, EXCEPTIONAL EDUCATION, NUTRITIOUS FOOD, AND PERSONAL ATTENTIONS. | | |
| (Grants and allocations \$ _____) | | 2,402,094. |
| b ZUNI ADULT HOMES & COMMUNITY GROUP HOMES - PHFS PROVIDES HOMES, PERSONAL & VOCATIONAL TRAINING, AND SHELTERED WORKSHOP EMPLOYMENT FOR MENTALLY CHALLENGED ADULTS. | | |
| (Grants and allocations \$ _____) | | 1,374,361. |
| c DANVILLE CHILDREN & YOUTH RESIDENTIAL TREATMENT PROGRAM - PHFS PROVIDES GROUP HOMES, EDUCATION, TREATMENT SERVICES, AND SUPERVISED CARE. | | |
| (Grants and allocations \$ _____) | | 3,592,036. |
| d GENESIS HOUSE - PHFS PROVIDES EMERGENCY SHELTER FOR CHILDREN THAT REQUIRE TRANSITIONAL HOME CARE AND PERSONAL ATTENTIONS ON SHORT NOTICE. | | |
| (Grants and allocations \$ _____) | | 265,005. |
| e Other program services (attach schedule) | STATEMENT 7 | 1,205,849. |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services) | | 8,839,345. |

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 | 431,537. | 45 687,090. |
| | 46 Savings and temporary cash investments | | 46 |
| | 47 a Accounts receivable | 47a 723,479. | |
| | b Less: allowance for doubtful accounts | 47b | 47c 723,479. |
| | 48 a Pledges receivable | 48a 1,089,938. | |
| | b Less: allowance for doubtful accounts | 48b | 48c 1,089,938. |
| | 49 Grants receivable | | 49 |
| | 50 Receivables from officers, directors, trustees, and key employees | | 50 |
| | 51 a Other notes and loans receivable | 51a 24,506. | |
| | b Less: allowance for doubtful accounts | 51b | 51c 24,506. |
| | 52 Inventories for sale or use | | 52 |
| | 53 Prepaid expenses and deferred charges | 50,739. | 53 35,251. |
| | 54 Investments - securities STMT 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 38,605,363. | 54 46,521,741. |
| | 55 a Investments - land, buildings, and equipment: basis | 55a | |
| b Less: accumulated depreciation | 55b | 55c | |
| 56 Investments - other | SEE STATEMENT 9 | 2,236,060. | 56 1,214,291. |
| 57 a Land, buildings, and equipment: basis | 57a 13,990,718. | | |
| b Less: accumulated depreciation | 57b 6,428,016. | 57c 7,562,702. | |
| 58 Other assets (describe SEE STATEMENT 10) | 3,211,277. | 58 3,600,982. | |
| 59 Total assets (add lines 45 through 58) (must equal line 74) | 54,348,540. | 59 61,459,980. | |
| Liabilities | 60 Accounts payable and accrued expenses | 164,137. | 60 581,963. |
| | 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 | | 64b |
| | 65 Other liabilities (describe ACCRUED EXPENSES) | 50,377. | 65 20,811. |
| 66 Total liabilities (add lines 60 through 65) | 214,514. | 66 602,774. | |
| 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 | 45,421,329. | 67 52,035,679. |
| | 68 Temporarily restricted | 2,683,533. | 68 1,409,352. |
| | 69 Permanently restricted | 6,029,164. | 69 7,412,175. |
| | 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) | 54,134,026. | 73 60,857,206. |
| | 74 Total liabilities and net assets / fund balances (add lines 66 and 73) | 54,348,540. | 74 61,459,980. |

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.

| Yes | No |
|-----|----|
|-----|----|

ZIP + 4 ► 24503

N/A

PRESBYTERIAN HOMES & FAMILY
SERVICES, INC.

54-0346118

Part VII Analysis of Income-Producing Activities (See page 33 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) Exclu- sion code | (D) Amount | |
| 93 Program service revenue: | | | | | |
| a PRODUCT INCOME | | | | | 122,050. |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | 907,231. |
| g Fees and contracts from government agencies | | | | | 4,771,377. |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | | | |
| 96 Dividends and interest from securities | | | 14 | 999,169. | |
| 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 | | | 14 | 27,403. | |
| 100 Gain or (loss) from sales of assets other than inventory | | | 18 | 312,621. | |
| 101 Net income or (loss) from special events | | | | | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: | | | | | |
| a MISCELLANEOUS | | | | | 185,929. |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 1,339,193. | 5,986,587. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 7,325,780. |

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 34 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).

93A INCOME FROM RESIDENT VOCATIONAL PROGRAMS

93G TUITION INCOME - RECEIVED MAINLY FROM DEPTS. OF SOCIAL SERVICES

103A MISCELLANEOUS INCOME - FROM VARIOUS SOURCES

93F INCOME FROM MEDICAID FOR TEACHING LIFE SKILLS

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 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 34 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).

I am preparing this return on behalf of the organization, and to the best of my knowledge and belief, it is true, correct, and complete.

5-7-04

Date

PRESIDENT

Type or print name and title.

Date

Check if

Preparer's SSN or PTIN

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

2003

Name of the organization **PRESBYTERIAN HOMES & FAMILY
SERVICES, INC.**

Employer identification number
54 0346118

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| <u>JAMES E. HENRY (RETIRED)</u> <u>CONNEAUT LAKE, PA 16316</u> | DIR. OF SERV. 40 | 72,216. | 6,499. | |
| <u>MICHAEL A. RAMSEY</u> <u>MADISON HEIGHTS, VA 24572</u> | DIR OF SERV. 40 | 70,380. | 6,334. | |
| <u>ROBERT B. BISHOP</u> <u>POWHATAN, VA 23139</u> | DIR OF P.R. 40 | 68,340. | 6,834. | |
| <u>DAVID R. WRIGHT</u> <u>FOREST, VA 24551</u> | CONTROLLER 40 | 66,912. | 6,022. | |
| <u>DIANE KITTS</u> <u>LYNCHBURG, VA 24503</u> | DIR. OF H.R. 40 | 56,510. | 5,086. | |
| Total number of other employees paid over \$50,000 ▶ | 1 | | | |

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

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

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| <u>NONE</u> | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| 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 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 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | 3a | X |
| b Do you have a section 403(b) annuity plan for your employees? | 3b | X |
| 4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | 4 | X |

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.)

PRESBYTERIAN HOMES & FAMILY

Schedule A (Form 990 or 990-EZ) 2003

SERVICES, INC.

54-0346118

Page 3

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) 2002 | (b) 2001 | (c) 2000 | (d) 1999 | (e) Total |
|--|-------------|------------|------------|------------|------------------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 3,358,356. | 1,552,785. | 1,735,814. | 994,992. | 7,641,947. |
| 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 | 6,321,331. | 5,280,591. | 5,078,071. | 2,772,659. | 19,452,652. |
| 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 | 1,022,739. | 1,049,034. | 2,120,654. | 1,331,727. | 5,524,154. |
| 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 | 10,702,426. | 7,882,410. | 8,934,539. | 5,099,378. | 32,618,753. |
| 24 Line 23 minus line 17 | 4,381,095. | 2,601,819. | 3,856,468. | 2,326,719. | 13,166,101. |
| 25 Enter 1% of line 23 | 107,024. | 78,824. | 89,345. | 50,994. | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 | | | | | 26a 263,322. |
| 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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts | | | | | 26b 1,754,410. |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) | | | | | 26c 13,166,101. |
| d Add: Amounts from column (e) for lines: 18 5,524,154. 19 _____ 22 _____ 26b 1,754,410. | | | | | 26d 7,278,564. |
| e Public support (line 26c minus line 26d total) | | | | | 26e 5,887,537. |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | 26f 44.7174% |
| 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 | | | | | |
| (2002) (2001) (2000) (1999) | | | | | |
| 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 | | | | | |
| (2002) (2001) (2000) (1999) | | | | | |
| 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 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

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

N/A

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

| | Yes | No |
|---|-----|----|
| 29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | | |
| 30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | | |
| 31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) | | |
| <hr/> <hr/> <hr/> | | |
| 32 Does the organization maintain the following: | | |
| a Records indicating the racial composition of the student body, faculty, and administrative staff? | | |
| 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.) | | |
| <hr/> <hr/> | | |
| 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.) | | |
| <hr/> <hr/> | | |
| 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 | | |

PRESBYTERIAN HOMES & FAMILY

Schedule A (Form 990 or 990-EZ) 2003 **SERVICES, INC.**

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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 - | | |
| 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) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total |
| 45 Lobbying nontaxable amount | | | | | 0. |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | 0. |
| 47 Total lobbying expenditures | | | | | 0. |
| 48 Grassroots nontaxable amount | | | | | 0. |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | 0. |
| 50 Grassroots lobbying expenditures | | | | | 0. |

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- 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 |
|-----|----|--------|
| | X | |
| | X | |
| | X | |
| | X | |
| | X | |
| | X | |
| | X | |
| | X | |
| | | 0. |

Part VII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable**Exempt Organizations** (See page 12 of the instructions.)

- | | Yes | No |
|--------|-----|----|
| 51a(i) | | X |
| a(ii) | | X |
| b(i) | | X |
| b(ii) | | X |
| b(iii) | | X |
| b(iv) | | X |
| b(v) | | X |
| b(vi) | | X |
| c | | X |

N/A

[illegible]

- 52 a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No
- b** If "Yes," complete the following schedule: **N/A**

[illegible]

| | | | |
|----------|-------------------------|-----------|---|
| FORM 990 | OTHER INVESTMENT INCOME | STATEMENT | 1 |
|----------|-------------------------|-----------|---|

| DESCRIPTION | AMOUNT |
|---|---------|
| INCOME FROM INVESTMENT IN VIRGINIA ALLIANCE | 27,403. |
| TOTAL TO FORM 990, PART I, LINE 7 | 27,403. |

| | | | |
|----------|---|-----------|---|
| FORM 990 | GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES | STATEMENT | 2 |
|----------|---|-----------|---|

| DESCRIPTION | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | NET GAIN OR (LOSS) |
|-----------------------------|----------------------|------------------------|--------------------|-----------------------|
| SECURITIES | 304,989. | 0. | 0. | 304,989. |
| TO FORM 990, PART I, LINE 8 | 304,989. | 0. | 0. | 304,989. |

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

| DESCRIPTION | DATE ACQUIRED | DATE SOLD | METHOD ACQUIRED | | |
|-------------------------|----------------------|------------------------|--------------------|---------|-----------------------|
| VEHICLES | VARIOUS | VARIOUS | PURCHASED | | |
| NAME OF BUYER | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | DEPREC | NET GAIN OR (LOSS) |
| VARIOUS | 9,825. | 93,558. | 0. | 91,365. | 7,632. |
| TO FM 990, PART I, LN 8 | 9,825. | 93,558. | 0. | 91,365. | 7,632. |

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

| DESCRIPTION | AMOUNT |
|--|------------|
| UNREALIZED GAINS (LOSSES) ON INVESTMENTS | 7,468,577. |
| TOTAL TO FORM 990, PART I, LINE 20 | 7,468,577. |

| | | | |
|----------|----------------|-----------|---|
| FORM 990 | OTHER EXPENSES | STATEMENT | 5 |
|----------|----------------|-----------|---|

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|------------------------------|--------------|----------------------------|----------------------------------|--------------------|
| PROGRAM FOOD EXPENSES | 195,463. | 195,463. | | |
| INVESTMENT FEES | 18,868. | | 18,868. | |
| INSURANCE | 165,747. | 143,196. | 22,551. | |
| ELECTRICITY AND WATER | 146,428. | 146,428. | | |
| AUTO EXPENSES | 74,473. | 68,298. | 3,276. | 2,899. |
| FUEL | 110,446. | 110,446. | | |
| EDUCATION EXPENSES | 17,378. | 17,378. | | |
| MEDICAL ATTENTION | 23,194. | 23,194. | | |
| DUES | 4,079. | 1,805. | 2,274. | |
| PROFESSIONAL FEES | 22,750. | | 22,750. | |
| BULLETIN | 32,084. | | 32,084. | |
| STUDENT/RESIDENT EXPENSES | 45,730. | 45,730. | | |
| STAFF TRAINING | 115,752. | 92,891. | 19,186. | 3,675. |
| BOARD EXPENSES | 76,234. | | 76,234. | |

| | | | | |
|------------------------|------------|------------|----------|---------|
| COMPUTER EXPENSES | 15,118. | 8,646. | 6,472. | |
| PROFESSIONAL | | | | |
| RESOURCES | 141,000. | 123,759. | 16,209. | 1,032. |
| PROMOTION | 49,555. | 12,441. | | 37,114. |
| PEANUT PROGRAM | 46,433. | 46,433. | | |
| HORTICULTURE PROGRAM | 4,293. | 4,293. | | |
| RECREATION | 14,191. | 14,191. | | |
| TOTAL TO FM 990, LN 43 | 1,319,216. | 1,054,592. | 219,904. | 44,720. |

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

EXPLANATION

PROVIDING CARE SERVICES TO CHILDREN AND ADULTS MARGINALIZED BY DYSFUNCTIONAL FAMILIES AND MENTAL HEALTH ISSUES.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 7

| DESCRIPTION | GRANTS AND ALLOCATIONS | EXPENSES |
|---|---------------------------|------------|
| FREDERICKSBURG HOME - PHFS PROVIDES HIGH QUALITY HOME ENVIRONMENT, NUTRITIOUS FOOD, AND PERSONAL ATTENTIONS FOR MENTALLY CHALLENGED ADULTS. | | 291,291. |
| WAYNESBORO HOME - PHFS PROVIDES HIGH QUALITY HOME ENVIRONMENT, NUTRITIOUS FOOD, AND PERSONAL ATTENTIONS FOR MENTALLY CHALLENGED ADULTS. | | 241,427. |
| LYNCHBURG HOME - PHFS PROVIDES HIGH QUALITY HOME ENVIRONMENT, NUTRITIOUS FOOD, AND PERSONAL ATTENTIONS FOR MENTALLY CHALLENGED ADULTS. | | 311,039. |
| ZUNI WORKSHOP - PHFS PROVIDES VOCATIONAL TRAINING OF MENTALLY CHALLENGED ADULTS ON THE ZUNI CAMPUS. | | 150,316. |
| SOUTH HILL HOME - PHFS PROVIDES HIGH QUALITY HOME ENVIRONMENT, NUTRITIOUS FOOD, AND PERSONAL ATTENTIONS FOR MENTALLY CHALLENGED ADULTS. | | 211,776. |
| TOTAL TO FORM 990, PART III, LINE E | | 1,205,849. |

| | | | |
|----------|---------------------------|-----------|---|
| FORM 990 | NON-GOVERNMENT SECURITIES | STATEMENT | 8 |
|----------|---------------------------|-----------|---|

| SECURITY DESCRIPTION | CORPORATE STOCKS | CORPORATE BONDS | OTHER PUBLICLY TRADED SECURITIES | OTHER SECURITIES | TOTAL NON-GOV'T SECURITIES |
|----------------------|------------------|-----------------|----------------------------------|------------------|----------------------------|
| CORPORATE STOCKS | 31,981,867. | | | | 31,981,867. |
| BONDS | | 14,539,874. | | | 14,539,874. |
| TO 990, LN 54 COL B | 31,981,867. | 14,539,874. | | | 46,521,741. |

| | | | |
|----------|-------------------|-----------|---|
| FORM 990 | OTHER INVESTMENTS | STATEMENT | 9 |
|----------|-------------------|-----------|---|

| DESCRIPTION | VALUATION METHOD | AMOUNT |
|---|------------------|------------|
| CASH AND TEMPORARY INVESTMENTS | MARKET VALUE | 1,180,690. |
| OTHER | MARKET VALUE | 33,601. |
| TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B | | 1,214,291. |

| | | | |
|----------|--------------|-----------|----|
| FORM 990 | OTHER ASSETS | STATEMENT | 10 |
|----------|--------------|-----------|----|

| DESCRIPTION | AMOUNT |
|---|------------|
| BENEFICIAL INTEREST IN PERPETUAL TRUSTS | 3,600,982. |
| TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B | 3,600,982. |

FORM 990

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

STATEMENT 11

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|--|--------------------------|-------------------|------------------------------|--------------------|
| REV. E. PETER GEITNER (RET. JUNE 2003) 20 FRONT CIRCLE OCEAN GROVE, NJ 07756 | PRESIDENT 40 | 100,045. | 6,850. | 0. |
| ROBERT S. DENDY, JR. 102 WOODLAND AVE LYNCHBURG, VA 24503 | PRESIDENT 40 | 48,000. | 4,320. | 0. |
| THOMAS WRENN, SR. (RET. DEC 2003) 108 HASTINGS COURT LYNCHBURG, VA 24503 | VICE PRESIDENT 40 | 80,070. | 7,206. | 0. |
| A. ROBERT CREEKMORE 137 OLD DRIVE CHESAPEAKE, VA 23322 | CHAIRMAN 2 | 0. | 0. | 0. |
| CHARLES W. CRIST 215 W. ASHER ST. CULPEPER, VA 22701 | VICE CHAIRMAN 2 | 0. | 0. | 0. |
| WILLIAM E. SUDDUTH 273 WATERLOO ST. WARRENTON, VA 20186 | TREASURER 2 | 0. | 0. | 0. |
| MADALINE THOMAS MARTIN 1644 SPOTTSWOOD PLACE LYNCHBURG, VA 24503 | SECRETARY 2 | 0. | 0. | 0. |
| TERRY L. ADAMS 3421 IVYLINK PLACE LYNCHBURG, VA 24503 | DIRECTOR 1 | 0. | 0. | 0. |
| E. WARRINER ATKINSON 4504 BUCKINGHAM DRIVE PORTSMOUTH, VA 23703 | DIRECTOR 1 | 0. | 0. | 0. |
| WILLIAM C. BANKS 2627 MARROW DRIVE NEWPORT NEWS, VA 23606 | DIRECTOR 1 | 0. | 0. | 0. |

| | | | | |
|--|---------------|----|----|----|
| SHARON G. DUCKWALL 3332 SOUTHWOOD VILLAGE COURT ROANOKE, VA 24014 | DIRECTOR 1 | 0. | 0. | 0. |
| KENNETH D. OBYE 140 BRIARCLIFF LANE DANVILLE, VA 24541 | DIRECTOR 1 | 0. | 0. | 0. |
| PETER W. THOMAS 808 LONGWOOD AVE. BEDFORD, VA 24523 | DIRECTOR 1 | 0. | 0. | 0. |
| WILLARD L. BUNDY 5722 VALLEY GREEN DRIVE BROAD RUN, VA 20137 | DIRECTOR 1 | 0. | 0. | 0. |
| WILLIAM D. CRAIG 4111 FOREST HILL AVENUE RICHMOND, VA 23225 | DIRECTOR 1 | 0. | 0. | 0. |
| DR. JAMES T. FOSTER P.O. BOX 504 DANVILLE, VA 24543 | DIRECTOR 1 | 0. | 0. | 0. |
| REV. GEORGE C. GOODMAN 1022 FLOYD ST. LYNCHBURG, VA 24501 | DIRECTOR 1 | 0. | 0. | 0. |
| REV. DR. J. KENNETH ROGERS 504 IVY LAKE DRIVE FOREST, VA 24551 | DIRECTOR 1 | 0. | 0. | 0. |
| THOMAS M. SMITH 928 LOVELL DRIVE VIRGINIA BEACH, VA 23454 | DIRECTOR 1 | 0. | 0. | 0. |
| SUSAN P. SUMMERS 190 DAYSPRING ROAD RUSTBURG, VA 24588 | DIRECTOR 1 | 0. | 0. | 0. |
| JUANDIEGO R. WADE 909 ST. CHARLES AVENUE CHARLOTTESVILLE, VA 22901 | DIRECTOR 1 | 0. | 0. | 0. |
| DR. JANE S. CRAIG 3820 HASTINGS DR. RICHMOND, VA 23235 | DIRECTOR 1 | 0. | 0. | 0. |
| MARY JO DAVIS 220 VIRGINIA AVE DANVILLE, VA 24541 | DIRECTOR 1 | 0. | 0. | 0. |

PRESBYTERIAN HOMES & FAMILY SERVICES, IN

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| | | | | |
|---|---------------|----|----|----|
| GWENDOLYN M. EDWARDS 133 NORTH DAVIS DR. DANVILLE, VA 24540 | DIRECTOR 1 | 0. | 0. | 0. |
| WILLIAM T. JOHNSON 1725 ROCKY BRANCH DR FOREST, VA 24551 | DIRECTOR 1 | 0. | 0. | 0. |
| JUDGE ROSS W. KRUMM 221 DIVOT DR. HARRISONBURG, VA 22802 | DIRECTOR 1 | 0. | 0. | 0. |
| MOSES L. MEADOWS 48 DIAMOND HILL ROAD HAMPTON, VA 23666 | DIRECTOR 1 | 0. | 0. | 0. |
| JOHN G. OVERSTREET 1512 WOODLAND RD. BEDFORD, VA 24523 | DIRECTOR 1 | 0. | 0. | 0. |
| J. KEVIN RICE 3239 LOCUST GROVE LANE SALEM, VA 24153 | DIRECTOR 1 | 0. | 0. | 0. |

TOTALS INCLUDED ON FORM 990, PART V

228,115.

18,376.

0.

Form 990, Part IV, Line 57b

Depreciation schedules for the year ended December 31, 2003 have not been attached due to the large volume of pages included in these schedules. Depreciation schedules are available upon request. The following is a summary of fixed assets and related depreciation:

| | <u>BASIS</u> | <u>ACCUMULATED DEPRECIATION</u> |
|--------------------------|----------------------|-------------------------------------|
| Land & improvements | \$ 1,271,504 | \$ 442,066 |
| Buildings & improvements | 9,047,158 | 4,011,663 |
| Leasehold improvements | 1,158,391 | 311,050 |
| Machinery & equipment | 878,569 | 482,367 |
| Automobiles | 663,823 | 365,085 |
| Furniture & fixtures | 969,278 | 815,785 |
| Construction in progress | <u>1,995</u> | <u>-</u> |
| | \$ <u>13,990,718</u> | \$ <u>6,428,016</u> |

Form 990, Schedule A, Part III, Line 2a:

In June 2003 the Corporation transferred ownership of a vehicle to the former President upon his retirement.

Form 990, Schedule A, Part III, Line 3a:

Scholarships are provided to former residents of the Corporation's residential programs. Recipients are determined based on provisions of restricted gift instruments.