

Return of Organization Exempt from Income Tax

2003

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 2003 calendar year, or tax year beginning 7/01, 2003, and ending 6/30, 2004

- 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. FAMILY SERVICE LEAGUE, INC. 204 CLAREMONT AVENUE MONTCLAIR, NJ 07042

D Employer Identification Number 22-1487184 E Telephone number 973-746-0800 F Accounting method: Cash, Accrual, Other (specify)

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

- H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) If Yes, enter number of affiliates. H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

Web site: WWW.FAMILYSERVICELEAGUE.ORG

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

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 12 796,361.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and multiple columns for revenue, expenses, and net assets. Includes sub-rows for contributions, program service revenue, membership dues, interest, dividends, gross rents, investment income, special events, and inventory sales. Total revenue is 742,656 and total expenses is 872,488.

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 85,218.	63,914.	21,304.	
26 Other salaries and wages	26 487,700.	467,754.	19,946.	
27 Pension plan contributions	27			
28 Other employee benefits	28 36,990.	34,327.	2,663.	
29 Payroll taxes	29 44,233.	41,048.	3,185.	
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 17,782.	16,502.	1,280.	
34 Telephone	34 13,695.	12,708.	987.	
35 Postage and shipping	35 1,734.	1,608.	126.	
36 Occupancy	36 11,084.	10,286.	798.	
37 Equipment rental and maintenance	37 185.	172.	13.	
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41 5,926.	5,500.	426.	
42 Depreciation, depletion, etc (attach schedule)	42 15,915.		15,915.	
43 Other expenses not covered above (itemize).				
a SEE STATEMENT 3	43a 152,026.	132,608.	19,418.	
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 872,488.	786,427.	86,061.	0.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported (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? <u>COUNSELING SERVICES</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a SEE STATEMENT 4 _____ _____ _____ (Grants and allocations \$ _____)	786,427.
b _____ _____ _____ (Grants and allocations \$ _____)	
c _____ _____ _____ (Grants and allocations \$ _____)	
d _____ _____ _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	786,427.

Part IV Balance Sheets (See Instructions)

		(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	17,103.	45	8,220.
	46 Savings and temporary cash investments	1,198.	46	101,664.
	47a Accounts receivable	47a 31,683.		
	b Less allowance for doubtful accounts	47b	39,308.	47c 31,683.
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable		49	18,858.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		5,703.	53 6,010.
	54 Investments – securities (attach schedule) SEE ST 5 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		8,140.	54 8,327.
	55a Investments – land, buildings, & equipment basis	55a 941,948.		
	b Less accumulated depreciation (attach schedule) STATEMENT 6	55b 175,814.	774,929.	55c 766,134.
56 Investments – other (attach schedule)			56	
57a Land, buildings, and equipment basis	57a			
b Less accumulated depreciation (attach schedule)	57b		57c	
58 Other assets (describe ▶ _____)			58	
59 Total assets (add lines 45 through 58) (must equal line 74)		846,381.	59 940,896.	
LIABILITIES	60 Accounts payable and accrued expenses	21,774.	60	36,743.
	61 Grants payable		61	
	62 Deferred revenue	1,200.	62	1,200.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule) SEE STATEMENT 7		167,654.	64b 376,841.
	65 Other liabilities (describe ▶ SEE STATEMENT 8)		1,198.	65 1,202.
66 Total liabilities (add lines 60 through 65)		191,826.	66 415,986.	
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	654,555.	67	524,910.
	68 Temporarily restricted		68	
	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)		654,555.	73 524,910.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)		846,381.	74 940,896.

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.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	775,368.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ 187.		
(2)	Donated services and use of facilities \$ 27,157.		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	SEE STM 9 \$ 5,368.		
	Add amounts on lines (1) through (4)	b	32,712.
c	Line a minus line b	c	742,656.
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	742,656.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	905,013.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$ 27,157.		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	SEE STMT 10 \$ 5,368.		
	Add amounts on lines (1) through (4)	b	32,525.
c	Line a minus line b	c	872,488.
d	Amounts included on line 17, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	872,488.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 11		85,218.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes No

If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)

		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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
78b	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
80a	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 <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a	Enter direct and indirect political expenditures See line 81 instructions 81a 0.		
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82b	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 27,157.		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
85b	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		N/A
85c	c Dues, assessments, and similar amounts from members		N/A
85d	d Section 162(e) lobbying and political expenditures		N/A
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85h	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?		N/A
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 86a N/A		
86b	b Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87a	501(c)(12) organizations Enter a Gross income from members or shareholders 87a N/A		
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
89a	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>		
89b	b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>			
d Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>			
90a	List the states with which a copy of this return is filed <u>NEW JERSEY</u>		
90b	b Number of employees employed in the pay period that includes March 12, 2003 (See instructions)		26
91	The books are in care of <u>ORGANIZATION</u> Telephone number <u>973-746-0800</u> Located at <u>204 CLAREMONT AVENUE, MONTCLAIR, NJ</u> ZIP + 4 <u>07042</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 <u>N/A</u>		
		92	N/A

Part VII Analysis of Income-Producing Activities (See 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 CHILD DAY CARE FEES					98,301.
b PROGRAM SERVICE FEES					143,324.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	895.	
97 Net rental income or (loss) from real estate					
a debt-financed property	531110	-17,187.			
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			1	5,134.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b MISCELLENOUS INCOME					106.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		-17,187.		6,029.	241,731.
105 Total (add line 104, columns (B), (D), and (E))					230,573.

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 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)
	SEE STATEMENT 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

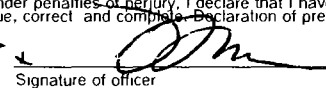
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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)

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

Please Sign Here:  Signature of officer Date: 1/20/05

Date: 1/17/05

Check if self-employed:

Preparer's SSN or PTIN (see General Instruction W): P00006746

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

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

2003

Supplementary Information — (See separate instructions.)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

FAMILY SERVICE LEAGUE, INC.

Employer identification number

22-1487184

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

(See 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 and deferred compensation	(e) Expense account and other allowances
EDWARD WEIKERT ----- 302 FRANCIS ST, TEANECK, NJ 07666	CLINICAL DRIVE 40	58,000.	0.	0.

Total number of other employees paid over \$50,000 ▶	0			

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

(See 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	

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

Schedule A (Form 990 or 990-EZ) 2003

Part III Statements About Activities (See instructions)

	Yes	No
<p>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 ▶ \$ <u> </u> <u>N/A</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</p> <p>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</p>		X
<p>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.)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: right;">SEE FORM 990, PART V</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3a 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)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>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?</p>		X

Part IV Reason for Non-Private Foundation Status (See 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 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 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	978,414.	502,160.	377,503.	476,785.	2,334,862.
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	221,972.	242,032.	221,662.	321,196.	1,006,862.
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	720.	1,624.	181,346.	534.	184,224.
19 Net income from unrelated business activities not included in line 18	-1,096.	-206.	-1,263.		-2,565.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. SEE STMT 13	2,141.	3,761.	1,227.	1,325.	8,454.
23 Total of lines 15 through 22	1,202,151.	749,371.	780,475.	799,840.	3,531,837.
24 Line 23 minus line 17	980,179.	507,339.	558,813.	478,644.	2,524,975.
25 Enter 1% of line 23	12,022.	7,494.	7,805.	7,998.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 **N/A**

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 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.

c Total support for section 509(a)(1) test. Enter line 24, column (e)

d Add: Amounts from column (e) for lines **18** _____ **19** _____
22 _____ **26b** _____

e Public support (line 26c minus line 26d total)

f Public support percentage (line 26e (numerator) divided by line 26c (denominator))

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:
 (2002) _____ 0. (2001) _____ 0. (2000) _____ 0. (1999) _____ 0.

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:
 (2002) _____ 0. (2001) _____ 0. (2000) _____ 0. (1999) _____ 0.

c Add: Amounts from column (e) for lines **15** _____ 2,334,862. **16** _____
17 _____ 1,006,862. **20** _____ **21** _____

d Add: Line 27a total _____ 0. and line 27b total _____ 0.

e Public support (line 27c total minus line 27d total)

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)

g Public support percentage (line 27e (numerator) divided by line 27f (denominator))

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

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

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

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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
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	41	
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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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

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

FAMILY SERVICE LEAGUE, INC.

22-1487184

STATEMENT 1
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

SPECIAL EVENTS	GROSS RECEIPTS	LESS CONTRI- BUTIONS	GROSS REVENUE	LESS DIRECT EXPENSES	NET INCOME (LOSS)
	10,502.	0.	10,502.	5,368.	5,134.
TOTAL	\$ 10,502.	\$ 0.	\$ 10,502.	\$ 5,368.	\$ 5,134.

STATEMENT 2
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

TOTAL \$ 187.
TOTAL \$ 187.

STATEMENT 3
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	2,205.	2,047.	158.	
BANK CHARGES	2,248.		2,248.	
EMPLOYEE TRAINING EXPENSES	838.	778.	60.	
FOOD EXPENSES	23,885.	22,164.	1,721.	
INSURANCE	27,701.	25,706.	1,995.	
MISCELLENOUS EXPENSES	2,978.	2,763.	215.	
ORGANIZATIONAL DUES & ACCREDIT	1,655.	1,536.	119.	
PAYROLL PROCESSING	1,795.	1,665.	130.	
PROFESSIONAL FEES	56,900.	46,417.	10,483.	
PROGRAM SUPPLIES & ACTIVITIES	2,171.	2,015.	156.	
RECRUTING EXPENSES	175.	163.	12.	
REPAIRS & MAINTENANCE	14,213.	13,190.	1,023.	
SUBSCRIPTIONS AND PUBLICATIONS	261.	242.	19.	
TRANSPORTATION	1,199.	1,113.	86.	
UTILITIES	13,802.	12,809.	993.	
TOTAL	\$ 152,026.	\$ 132,608.	\$ 19,418.	\$ 0.

STATEMENT 4
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
COUNSELING - A PROGRAM WHICH USES PROFESSIONALLY TRAINED COUNSELORS IN ENABLING FAMILIES & INDIVIDUALS TO COME TO DEAL WITH EMOTIONAL PROBLEMS & TEMPORARY STRESSES. TOTAL NUMBER OF INDIVIDUALS WHO BENEFITED FROM THIS PROGRAM WERE		

FAMILY SERVICE LEAGUE, INC.

22-1487184

STATEMENT 4 (CONTINUED)
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
1,721.		417,553.
SOCIAL SERVICES		33,723.
RAPE CARE PROGRAM - TO PROVIDE COUNSELING SERVICES TO VICTIMS OF RAPE AND VIOLENCE AGAINST WOMEN.		69,491.
FAMILY DAY NURSERY - OPERATION OF A CHILD DAY CARE PROGRAM FOR FAMILIES OF THE TOWN OF BLOOMFIELD & NEIGHBORING COMMUNITIES FOR FAMILIES GENERALLY UNABLE TO AFFORD A DAY CARE SERVICE. A TOTAL OF INDIVIDUALS BENEFITED FROM THIS PROGRAM WERE 60.		265,660.
	<u>\$ 0.</u>	<u>\$ 786,427.</u>

STATEMENT 5
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

CORPORATE STOCKS	VALUATION METHOD	AMOUNT
CORPORATE STOCK	MARKET VALUE	\$ 8,327.
	TOTAL	\$ 8,327.
TOTAL INVESTMENTS - SECURITIES		<u>\$ 8,327.</u>

STATEMENT 6
FORM 990, PART IV, LINE 55B
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 14,619.	\$ 14,619.	\$ 0.
MACHINERY AND EQUIPMENT	30,975.	26,992.	3,983.
BUILDINGS	668,594.	99,914.	568,680.
IMPROVEMENTS	47,537.	29,966.	17,571.
LAND	175,900.		175,900.
MISCELLANEOUS	4,323.	4,323.	0.
TOTAL	<u>\$ 941,948.</u>	<u>\$ 175,814.</u>	<u>\$ 766,134.</u>

FAMILY SERVICE LEAGUE, INC.

22-1487184

**STATEMENT 7
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE**

<u>MORTGAGES PAYABLE</u>	<u>BALANCE DUE</u>
PNC BANK	\$ 190,365.
FLEET BANK	98,680.
TOTAL MORTGAGES	\$ 289,045.

OTHER NOTES PAYABLE

LENDER'S NAME:	AMERICAN SAVINGS BANK	
DATE OF NOTE:	1/24/1997	
MATURITY DATE:	1/23/2012	
REPAYMENT TERMS:	INTEREST ONLY DUE MONTHLY	
INTEREST RATE:	4.25%	
SECURITY PROVIDED:	204 CLAREMONT AVE, MONTCLAIR	
PURPOSE OF LOAN:	WORKING CAPITAL	
BALANCE DUE:		\$ 70,839.

LENDER'S NAME:	PNC BANK	
DATE OF NOTE:	10/31/2003	
REPAYMENT TERMS:	INTEREST ONLY DUE MONTHLY	
INTEREST RATE:	5.00%	
SECURITY PROVIDED:	NONE	
PURPOSE OF LOAN:	WORKING CAPITAL	
BALANCE DUE:		\$ 16,957.

TOTAL OTHER NOTES PAYABLE \$ 87,796.

TOTAL \$ 376,841.

**STATEMENT 8
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

TOTAL \$ 1,202.

**STATEMENT 9
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS**

SPECIAL FUND RAISING EVENTS	\$ 5,368.
TOTAL	\$ <u>5,368.</u>

FAMILY SERVICE LEAGUE, INC.

22-1487184

**STATEMENT 10
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS**

FUNDRAISING EXPENSE

TOTAL	\$	5,368.
	\$	<u>5,368.</u>

**STATEMENT 11
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
DONALD FANN 340 GARDEN STREET HOBOKEN, NJ 07030	EXECUTIVE DIREC 40	\$ 85,218.	\$ 0.	\$ 0.
LAURENCE SLOUS 250 BELLEVUE AVENUE UPPER MONTCLAIR, NJ 07043	CHAIRMAN AS REQUIRED	0.	0.	0.
WILLIAM BRUNNER, ESQ 7 MILL STREET FAIRFIELD, NJ 07004	VICE PRESIDENT AS REQUIRED	0.	0.	0.
ANNE BUTLER 126 FOREST AVENUE GLEN RIDGE, NJ 07028	SECRETARY AS REQUIRED	0.	0.	0.
ROBERT BRUNNER 3 MILL STREET FAIRFIELD, NJ 07004	TREASURER AS REQUIRED	0.	0.	0.
JASON APTER 27 MALVERN PLACE VERONA, NJ 07044	TRUSTEE AS REQUIRED	0.	0.	0.
REV. MICHAEL BURKE 24 DEGRASSE STREET PATERSON, NJ 07505	TRUSTEE AS REQUIRED	0.	0.	0.
DON GOELTZ 70 PLYMOUTH STREET MONTCLAIR, NJ 07042	TRUSTEE AS REQUIRED	0.	0.	0.
DONALD ULLMANN 236 ROSELAND AVENUE ESSEX FELLS, NJ 07021	TRUSTEE AS REQUIRED	0.	0.	0.
	TOTAL	\$ <u>85,218.</u>	\$ <u>0.</u>	\$ <u>0.</u>

**STATEMENT 12
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
93A	CHILD CARE FEES FOR NURSERY WHICH IS BASED UPON ABILITY TO PAY. SERVICES PROVIDED ARE IN ACCORDANCE WITH AGENCY'S OVERALL EXEMPT PURPOSE.
93B	REVENUE COLLECTED DURING THE YEAR RELATED TO OVERALL COUNCELING. SERVICES PROVIDED ARE IN ACCORDANCE WITH AGENCY'S OVERALL EXEMPT PURPOSE.
103B	OTHER MISCELLENIOUS INCOME THAT WAS EARNED DURING THE YEAR WHILE RUNNING DAY TO DAY OPERATIONS

**STATEMENT 13
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME**

DESCRIPTION	(A) 2002	(B) 2001	(C) 2000	(D) 1999	(E) TOTAL
OTHER INCOME	\$ 2,141.	\$ 3,761.	\$ 1,227.	\$ 1,325.	\$ 8,454.
TOTAL	<u>\$ 2,141.</u>	<u>\$ 3,761.</u>	<u>\$ 1,227.</u>	<u>\$ 1,325.</u>	<u>\$ 8,454.</u>

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ 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	Employer identification number
File by the due date for filing your return. See instructions.	FAMILY SERVICE LEAGUE, INC.	22-1487184
	Number, street, and room or suite number. If a P O box, see instructions	
	204 CLAREMONT AVENUE	
	City, town or post office. For a foreign address, see instructions	state ZIP code
	MONTCLAIR, NJ 07042	

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 (Section 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 2/15, 20 05, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 20____ or

▶ tax year beginning 7/01, 20 03, and ending 6/30, 20 04.

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 \$ _____ 0.

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 \$ _____ 0.

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 \$ _____ 0.

Signature and Verification

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

Signature ▶ _____ Title ▶ _____ Date ▶ _____

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8868** (12-2000)

**Family Service League, Inc.
[a Non-Profit Organization]**

Financial Statements

June 30, 2004

**Family Service League, Inc.
[a Non-Profit Organization]**

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June 30, 2004

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SAX MACY FROMM & CO., PC

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

Independent Auditors' Report

To the Board of Trustees of
Family Service League, Inc.
[a Non-Profit Organization]:

We have audited the statement of financial position of **Family Service League, Inc. [a Non-Profit Organization]** as of June 30, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Family Service League, Inc. as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 31, 2004 on our consideration of Family Service League, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Family Service League, Inc. taken as a whole. The accompanying schedule of tax liabilities on page 9 and schedule of expenditures of federal, state, and local awards on page 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sax Macy Fromm & Co., PC
Sax Macy Fromm & Co., PC
Certified Public Accountants

Clifton, New Jersey
August 31, 2004

**Family Service League, Inc.
[a Non-Profit Organization]**

Statement of Financial Position

June 30, 2004

Assets

Current Assets:

Cash and cash equivalents	\$ 109,884	
Counseling fees receivable	31,683	
Grants receivable	18,858	
Investments	8,327	
Prepaid expenses	<u>6,010</u>	
Total Current Assets		\$ 174,762

Net Property and Equipment

766,134

Total Assets

\$ 940,896

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 26,743	
Accrued expenses	10,000	
Line of credit	87,796	
Deferred Income	1,200	
Mortgages payable, current portion	<u>20,636</u>	
Total Current Liabilities		\$ 146,375

Long-Term Liabilities:

Security deposits	1,202	
Mortgages payable, net of current portion	<u>268,409</u>	
Total Long-Term Liabilities		269,611

Net Assets:

Unrestricted		<u>524,910</u>
--------------	--	----------------

Total Liabilities and Net Assets

\$ 940,896

The Accompanying Notes are an Integral Part of these Financial Statements.



**Family Service League, Inc.
[a Non-Profit Organization]**

Statement of Activities
Year Ended June 30, 2004

Unrestricted Net Assets:

Public Support.

United Way contributions (Including \$27,157 of in-kind contributions)	\$ 100,974	
Community funds	12,500	
Federal, state, and local awards	317,725	
Foundations	58,596	
The Greater Newark Christmas Fund	22,000	
Special fund raising events	10,502	
Other contributions	<u>27,445</u>	
Total Public Support		\$ 549,742

Revenues:

Program service fees	143,324	
Child day care fees	98,301	
Rental loss, net of rental expenses	(17,187)	
Investment income	895	
Net appreciation in investments	187	
Miscellaneous income	<u>106</u>	
Total Revenues		<u>225,626</u>
Total Public Support and Revenues		<u>775,368</u>

Expenses:

Program Services.

Counseling services	417,553
Social services	33,723
Rape Care Program	69,491
Family Day Nursery	<u>292,817</u>
Total Program Services	813,584

Supporting Services:

Management and general	<u>91,429</u>	
Total Expenses		<u>905,013</u>

Decrease in Net Assets (129,645)

Net Assets at Beginning of Year 654,555

Net Assets at End of Year \$ 524,910

The Accompanying Notes are an Integral Part of these Financial Statements.



Compensation and Related Expenses:

- Payroll
- Payroll tax expense
- Employee benefits
- Total Compensation and Related Expenses

- Occupancy expense
- Professional fees
- Food expenses
- Insurance
- Program supplies and activities
- Telephone
- Utilities
- Equipment maintenance
- Real estate taxes
- Transportation
- Organizational dues and accreditation
- Repairs and maintenance
- Advertising
- Payroll processing
- Rental expenses
- Subscriptions and publications
- Office supplies
- Bank charges
- Postage
- Interest
- Special events expense
- Recruiting expense
- Employee training expenses
- Miscellaneous expenses
- Total Expenses Before Depreciation

Depreciation

Total



Family Service League, Inc.
[a Non-Profit Organization]

Statement of Cash Flows

Year Ended June 30, 2004

Cash Flows From Operating Activities:

Decrease in net assets		\$ (129,645)
Adjustments to reconcile change in net assets to net cash (used for) operating activities.		
Depreciation	\$ 15,915	
Net appreciation in investments	(187)	
(Increase) decrease in assets:		
Counseling fees receivable	(16,602)	
Grants receivable	5,369	
Prepaid expenses	(307)	
Increase in liabilities:		
Accounts payable	6,780	
Accrued expenses	8,189	
Security deposits	<u>4</u>	
Net adjustments to reconcile change in net assets to net cash (used for) operating activities		<u>19,161</u>
Net Cash (Used for) Operating Activities		<u>(110,484)</u>

Cash Flows From Investing Activities:

Payments for property and equipment		(7,120)
-------------------------------------	--	---------

Cash Flows From Financing Activities:

Net borrowings on line of credit		23,991
Issuance of mortgage payable		200,000
Payments on mortgage payable		<u>(14,804)</u>
Net Cash Provided by Financing Activities		<u>209,187</u>

Net Increase in Cash and Cash Equivalents

91,583

Cash and Cash Equivalents at Beginning of Year

18,301

Cash and Cash Equivalents at End of Year

\$ 109,884

Supplemental Disclosures of Cash Flows Information

Cash Paid During the Year for:

Interest		<u>\$ 5,926</u>
----------	--	-----------------

The Accompanying Notes are an Integral Part of these Financial Statements.



**Family Service League, Inc.
[a Non-Profit Organization]**

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies:

- A. Purpose of Organization – The Family Service League, Inc. (the "Organization") was organized to improve the quality of life of families by providing confidential professional counseling, as well as other services to individuals and families residing in eleven communities of Northwest Essex County and Bloomfield.
- B. Basis of Accounting – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Agency does not have any temporarily or permanently restricted net assets.
- C. Income Tax Status – The Agency qualifies as a tax exempt organization under Section 501 (c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under section 509 (a).
- D. Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- E. Functional Expenses – Expenses by function have been allocated among programs and supporting service classifications on the basis of time records and on estimates made by the Organization's management.
- F. Grants and Contracts – Support received under grants and contracts with the Federal and State Government is recorded as support on the straight-line basis over the grant/contract period.
- G. Unrestricted Support – The Organization's policy is to show restricted contributions whose restrictions are met in the same reporting period as unrestricted support.
- H. Donated Facilities – The United Way of Bloomfield currently allows the Organization to operate its day care operations at its building located at 224 Broad Street, Bloomfield free of rent. This free rent has been valued at \$13 per square foot or a total value of \$27,157 annually.
- I. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



Note 2 – Investments:

Investments consist of equity securities which are carried at fair value based on quoted market prices. Gains and losses on revaluation are recognized annually.

Note 3 – Property and Equipment:

Property acquired by the Organization is considered to be owned by Family Service League, Inc. However, the funding sources may have a reversionary interest in the property as well as determination of use of any proceeds from the sale of these assets.

The property and equipment are stated at cost, except for donated items which are recorded at their estimated fair market value, if determinable at the time of donation. Depreciation is provided using the straight line method over the estimated useful lives of the assets.

The following comprises property and equipment:

Real Property:	
204 Claremont Avenue, Montclair, New Jersey	\$ 394,495
51 Myrtle Ave, Montclair, New Jersey	450,000
Leasehold improvements	47,537
Furniture, fixtures, and equipment	49,916
Total Property and Equipment	<u>941,948</u>
Less: Accumulated depreciation	175,814
Net Property and Equipment	<u>\$ 766,134</u>

Note 4 – Line of Credit:

The Organization has a \$75,000 line of credit with American Savings Bank. As of June 30, 2004, the Organization had borrowed \$70,839 against this line of credit. Interest is calculated at the bank's prime rate minus .05 basis points which was 4.25%. Interest expense on the line of credit was \$2,709. The line of credit expires on January 23, 2012 and is collateralized by property located 29 Park Avenue in Bloomfield, New Jersey. The Organization also has a \$20,000 line of credit with PNC Bank. As of June 30, 2004 the Organization had borrowed \$16,957 against this line of credit. Interest is calculated at an annual percentage rate of 5%.



Note 5 – Mortgages Payable:

In October, 2003, the Organization obtained a loan with PNC Bank. The loan calls for monthly payments of \$2,281 including interest at a fixed rate of 6.5%. The loan is collateralized by property located at 51 Myrtle Avenue in Montclair. At June 30, 2004 the balance outstanding totaled \$190,365.

In November, 1993, the Organization obtained a mortgage with Fleet Bank. The mortgage calls for monthly payments of \$718, including interest at one percent over prime, currently 3.375%. The mortgage is collateralized by property located at 204 Claremont Avenue in Montclair. At June 30, 2004 the balance outstanding totaled \$98,680.

Minimum future payments due under these notes as of June 30, 2004 are as follows:

<u>Years Ending June 30</u>	
2005	\$ 20,636
2006	23,157
2007	24,538
2008	26,007
2009	27,568
2010 and thereafter	167,139
Total	<u>\$ 289,045</u>

Note 6 – Contingencies:

As of June 30, 2004, the Organization has cash in bank accounts which exceeded Federal Deposit Insurance coverage by \$9,884.

Note 7 – Economic Dependency:

Approximately 17% of the Organization's support was provided by funding from the New Jersey Division of Family Development, Department of Human Services.

Note 8 – Related Party Transaction:

The Organization retained the grant writing and marketing communication services of Victoria Fann. Victoria Fann is the spouse of the president of the Organization. The terms for these services were negotiated and approved by the Board of Trustees, with the president abstaining from those negotiations. The total cost for those services was \$32,500 and is included in Professional Fees in the accompanying Statement of Functional Expenses.

Note 9 – Unrestricted Net Assets:

Unrestricted net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired.



Supplementary Information

Family Service League, Inc.
[a Non-Profit Organization]

Schedule of Tax Liabilities
Year Ended June 30, 2004

<u>Type of Tax</u>	<u>Form Number</u>	<u>Amount Payable</u>	<u>Date Final Fiscal Liability Paid</u>
Social Security and Federal Withholding	941	\$ ---	June 30, 2004
NJ Unemployment and Disability Contributions	NJ-927	---	June 30, 2004
NJ Gross Income Tax	NJ500	<u>---</u>	June 30, 2004
Total Payable at June 30, 2004		<u><u>\$ ---</u></u>	

See Accompanying Independent Auditors' Report.



Family Service League, Inc.
[a Non-Profit Organization]

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended June 30, 2004

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal, State, and Local Awards</u>
U.S. Department of Health and Human Services Passed through the State of New Jersey Department of Human Services Division of Family Development - Day Care Preschool	13.677	\$ 142,467
U.S. Department of Agriculture Passed through the State of New Jersey Department of Education Bureau of Child Nutrition - Child Care Food Program	10.558	31,444
U.S. Department of Community Development and Inspections Passed through City of Bloomfield - Community Development Block Grant Program	14.218	15,931
U.S. Department of Housing and Urban Development Passed through Housing Opportunities, Inc. Housing Counseling	14 169	8,094
County of Essex Housing and Community Development Passed through Township of Montclair	N/A	10,100
State of New Jersey Passed through United Way of Greater Mercer County Family Advocate Program Assist the victims and families of the September 11, 2001 attacks	N/A	61,689
State of New Jersey Passed through Division of Women Rape Care Center	N/A	<u>48,000</u>
Total Federal, State, and Local Awards		<u>\$ 317,725</u>

*See Accompanying Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal, State, and Local Awards.*



**Family Service League, Inc.
[a Non-Profit Organization]**

Notes to Schedule of Expenditures of Federal, State, and Local Awards
Year Ended June 30, 2004

Note 1 – General Information:

The accompanying schedule of expenditures of federal, state, and local awards presents the activities in all the financial award programs of Family Service League, Inc. All financial awards received directly from federal agencies as well as financial awards passed through other governmental agencies or not-for-profit organizations are included on the schedule.

Note 2 – Relationship to Basic Financial Statements:

Federal, state, and local awards expenditures are reported on the statement of activities as functional and supporting expenses. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of federal, state, and local awards due to program expenditures exceeding grant limitations or capitalization policies required by accounting principles generally accepted in the United States of America.





SAX MACY FROMM & CO., PC

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**Independent Auditors' Report on Compliance and on Internal
Control over Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

To The Board of Trustees of
Family Service League, Inc.
[a Non-Profit Organization]:

We have audited the financial statements of the **Family Service League, Inc. [a Non-Profit Organization]** as of and for the year ended June 30, 2004, and have issued our report thereon dated August 31, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Family Service League, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Family Service League, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Trustees, management, and federal and state awarding agencies, and pass-through entities.

Sax Macy Fromm & Co., PC
Sax Macy Fromm & Co., PC
Certified Public Accountants

Clifton, New Jersey
August 31, 2004