

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)

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 7/1/2003, 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.

C Name of organization REHABILITATION OPPORTUNITIES, INC.
Number and street (or P O box if mail is not delivered to street address) Room/suite
5100 PHILADELPHIA WAY
City or town State or country ZIP + 4
LANHAM, MD 20706

D Employer identification number 52-0857131
E Telephone number 301-731-4242
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).

G Website: WWW.ROIWORKS.ORG

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

K Check here if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data Some states require a complete return.

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates
H(c) Are all affiliates included? N/A Yes No
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).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 1 3,071,264

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Table with 21 rows and 4 columns: Description, Sub-column, Amount, Total. Includes sections for Contributions, Program Service Revenue, Rental Income, Special Events, and Net Assets.

NOV 08 2004
NOV 23 2004
REVELORE
POSTMARK DATE
SCANNED

For Paperwork Reduction Act Notice, see the separate instructions.

(HTA)

C-13

NE 20

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. (See page 22 of the instructions.)

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 \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	0			
26	Other salaries and wages	0			
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	0			
30	Professional fundraising fees	0			
31	Accounting fees	0			
32	Legal fees	0			
33	Supplies	0			
34	Telephone	0			
35	Postage and shipping	0			
36	Occupancy	0			
37	Equipment rental and maintenance	0			
38	Printing and publications	0			
39	Travel	0			
40	Conferences, conventions, and meetings	0			
41	Interest	0			
42	Depreciation, depletion, etc. (attach schedule)	0			
43	Other expenses not covered above (itemize: a	0			
b	See attached statement	2,970,693	2,630,095	260,383	80,215
c		0			
d		0			
e		0			
f		0			
44	Total functional expenses (add lines 22 through 43) <i>Organizations completing columns (B)-(D), carry these totals to lines 13-15.</i>	2,970,693	2,630,095	260,383	80,215

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: \$ 0; (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 (See page 25 of the instructions.)

What is the organization's primary exempt purpose? See attached statement

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	OPERATION OF WORKSHOP FOR MENTALLY AND PHYSICALLY HANDICAPPED INDIVIDUALS	(Grants and allocations \$)	2,630,095
b		(Grants and allocations \$)	
c		(Grants and allocations \$)	
d		(Grants and allocations \$)	
e	Other program services (attach schedule)	(Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		2,630,095

Part IV Balance Sheets (See page 25 of the instructions.)

		Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A)		(B)
				Beginning of year		End of year
Assets	45 Cash—non-interest-bearing			944	45	976
	46 Savings and temporary cash investments			882,918	46	989,936
	47 a Accounts receivable	47a	113,330			
	b Less: allowance for doubtful accounts	47b	0	79,694	47c	113,330
	48 a Pledges receivable	48a	0			
	b Less: allowance for doubtful accounts	48b	0	0	48c	0
	49 Grants receivable				49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			0	50	0
	51 a Other notes and loans receivable (attach schedule)	51a	0			
	b Less: allowance for doubtful accounts	51b	0	0	51c	0
	52 Inventories for sale or use				52	
	53 Prepaid expenses and deferred charges			20,129	53	13,971
	54 Investments—securities (attach schedule)			167,632	54	214,279
55 a Investments—land, buildings, and equipment: basis	55a	0				
b Less: accumulated depreciation (attach schedule)	55b	0	0	55c	0	
56 Investments—other (attach schedule)			0	56	0	
57 a Land, buildings, and equipment: basis	57a	7,358,118				
b Less: accumulated depreciation (attach schedule)	57b	1,281,526	6,121,829	57c	6,076,592	
58 Other assets (describe <input type="checkbox"/> See attached worksheet)			138,197	58	131,691	
59 Total assets (add lines 45 through 58) (must equal line 74)			7,411,343	59	7,540,775	
Liabilities	60 Accounts payable and accrued expenses			177,517	60	218,287
	61 Grants payable				61	
	62 Deferred revenue				62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)			0	64a	0
	b Mortgages and other notes payable (attach schedule)			384,086	64b	405,183
	65 Other liabilities (describe <input type="checkbox"/> See attached worksheet)			3,425,616	65	3,164,421
66 Total liabilities (add lines 60 through 65)			3,987,219	66	3,787,891	
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			1,904,124	67	2,232,884
	68 Temporarily restricted			1,520,000	68	1,520,000
	69 Permanently restricted			0	69	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)			3,424,124	73	3,752,884	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)			7,411,343	74	7,540,775	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)	
a Total revenue, gains, and other support per audited financial statements	3,116,854
b Amounts included on line a but not on line 12, Form 990:	
(1) Net unrealized gains on investments . . . \$ 45,590	
(2) Donated services and use of facilities . . . \$	
(3) Recoveries of prior year grants . . . \$	
(4) Other (specify): Rental Expenses \$ 6,217	
Add amounts on lines (1) through (4)	51,807
c Line a minus line b	3,065,047
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)	0
e Total revenue per line 12, Form 990 (line c plus line d)	3,065,047

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total expenses and losses per audited financial statements	2,976,910
b Amounts included on line a but not on line 17, Form 990:	
(1) Donated services and use of facilities . . . \$	
(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Losses reported on line 20, Form 990 . . . \$	
(4) Other (specify): Rental Expenses \$ 6,217	
Add amounts on lines (1) through (4)	6,217
c Line a minus line b	2,970,693
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)	0
e Total expenses per line 17, Form 990 (line c plus line d)	2,970,693

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the 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 & deferred compensation	(E) Expense account and other allowances
Name <u>See attached</u> Str City ST ZIP	Title Hr/WK	0	0	0
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			
Name _____ Str City ST ZIP	Title Hr/WK			

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 page 28 of the instructions

Part VI Other Information (See page 28 of the 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
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part I	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applicati	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
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	85h	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> MD		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructio	90b	207
91	The books are in care of <input type="checkbox"/> Name RORY BRETT Telephone no <input type="checkbox"/> 301-731-4242 Located at <input type="checkbox"/> 5100 PHILADELPHIA WAY City LANHAM ST MD Zip + 4 <input type="checkbox"/> 20706		
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 <input type="checkbox"/> 92 N/A		

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)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue:					
a SERVICES TO THE PUBLIC					630,325
b OTHER INCOME			03	33,494	
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					2,156,695
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	5,719	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property	531120	35,095			
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		35,095		39,213	2,787,020
105 Total (add line 104, columns (B), (D), and (E))					2,861,328

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	OPERATION OF A WORKSHOP FOR THE MENTALLY AND PHYSICALLY HANDICAPPED
93G	FEES TO OPERATE A WORKSHOP FOR THE MENTALLY AND PHYSICALLY HANDICAPPED

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	N/A		0	0
	%		0	0
	%		0	0
	%		0	0

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).

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: Rory Brest Date: 11/8/04
Signature of officer

EXECUTIVE DIRECTOR
Date: 11/4/04 Check if self-prepared: Preparer's SSN or PTIN (See Gen. Inst. W): 000424066

SCHEDULE A
(Form 990 or 990-EZ)

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.)

OMB No 1545-0047

2003

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

Employer identification number

REHABILITATION OPPORTUNITIES, INC.

52-0857131

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Name RORY BRETT Str 5100 PHILADELPHIA WAY City LANHAM ST MD Zip 20706 Country USA	Title EXEC. DIR. Avg hr/wk 37.50	100,962	23,839	4,800
Name BARBARA A. STEWART Str 5100 PHILADELPHIA WAY City LANHAM ST MD Zip 20706 Country USA	Title ASSOC. DIR. Avg hr/wk 37.50	57,928	9,021	0
Name NICOLETA PALTINEANU Str 5100 PHILADELPHIA WAY City LANHAM ST MD Zip 20706 Country USA	Title CONTROLLER Avg hr/wk 37.50	55,589	12,636	0
Name Str City Zip Country	Title Avg hr/wk			
Name Str City Zip Country	Title Avg hr/wk			
Total number of other employees paid over \$50,000	0			

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Name NONE Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
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 ▶ \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)	[Hatched]	
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 ▶ _____ City _____ ST _____ Country _____
 - 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.)
 - 11 a 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.)
 - 11 b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	227,739	1,005,513	205,047	211,555	1,649,854
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	2,727,227	2,486,823	2,526,129	2,623,831	10,364,010
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	12,120	12,400	79,116	56,830	160,466
19 Net income from unrelated business activities not included in line 18	129,204	126,804	114,681	111,209	481,898
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	3,096,290	3,631,540	2,924,973	3,003,425	12,656,228
24 Line 23 minus line 17	369,063	1,144,717	398,844	379,594	2,292,218
25 Enter 1% of line 23	30,963	36,315	29,250	30,034	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	45,844
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	0
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	2,292,218
d Add: Amounts from column (e) for lines: 18 160,466 19 481,898 22 0 26b 0	26d	642,364
e Public support (line 26c minus line 26d total)	26e	1,649,854
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	71.98%

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

c Add: Amounts from column (e) for lines: 15 0 16 0 17 0 20 0 21 0	27c	0
d Add: Line 27a total and line 27b total	27d	0
e Public support (line 27c total minus line 27d total)	27e	0
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	0.00%

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 page 7 of the 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.) ----- ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A

Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(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	0	0
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40	0	0
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	0	0
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	0	0
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0	0
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0	0

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				
	(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.)

N/A

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

	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0

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

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

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Line 20 (990) - Other changes in net assets or fund balances

1	UNREALIZED GAIN ON INVESTMENTS	1	45,590
2	CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT	2	188,816
3		3	
4		4	
5		5	
6		6	
7		7	
8		8	
9		9	
10	Total	10	234,406

Line 47 (990) - Accounts receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	TRADE RECEIVABLES	49,714	103,615	0	0
2	GOVERNMENT CONTRACTS	29,588	4,922	0	0
3	INCOME TAX RECEIVABLE	392	4,793		
4					
5					
6					
7					
8					
9					
10					
11	Total accounts receivable	79,694	113,330	0	0

Line 54 (990) - Investments - Securities

Check one box below to indicate how securities are report:

Cost

End of year market value (FMV)

	Number of shares/ face value	Value at time of donation	Beginning balance book value FMV	Ending balance book value FMV
Securities at end of year				
1 CARNEGIE INTERNATIONAL CORP.			23	0
2 NEUBERGER BERMAN			2,892	4,555
3 STATE STREET - AURORA			22,116	30,984
4 STATE STREET - MIDCAP			18,694	24,962
5 MFS SER TR VALUE FUND			18,838	22,199
6 PUTNAM FDS SMALL CAP CLASS B			25,366	35,967
7 STATE STREET - CLASS B			65,232	77,360
8 VAN KAMPEN EQUITY SMALL CAP			14,471	18,252
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0
21 Totals	21	0	167,632	214,279

Line 57 (990) - Land, buildings, and equipment

Land (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	LAND	2,961,160	2,961,160
2			
3			
4			
5			
6	Total land (net of any amortization)	2,961,160	2,961,160

Buildings and equipment		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	BUILDINGS AND IMPROVEMENTS	2,709,454	2,709,454	194,344	262,650
8	LEASEHOLD IMPROVEMENTS	591,040	590,040	206,566	229,864
9	AUTOMOBILES	654,303	803,279	464,227	552,096
10	EQUIPMENT	259,744	173,488	209,771	139,725
11	FURNITURE & OFFICE EQUIPMENT	77,409	82,842	70,487	72,336
12	DATA PROCESSING EQUIPMENT	45,508	37,855	31,394	24,855
13					
14					
15					
16					
17	Total buildings and equipment	4,337,458	4,396,958	1,176,789	1,281,526
18	Buildings and equipment (less accumulated depreciation)			3,160,669	3,115,432
19	Total land, buildings and equipment			6,121,829	6,076,592

Category or Item		Cost/Other Basis	Accumulated Depreciation	Book Value
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Total	0	0	0

Line 58 (990) - Other assets

		Beginning	End
		1	LOAN ORIGATION FEES - NET
2	BOND ISSUANCE COSTS - NET	134,522	128,716
3			
4			
5			
6			
7			
8			
9			
10			
11	Total other assets	138,197	131,691

Line 64b (990) - Mortgages and other notes payable

Description	Check if lender is a business	Original amount	Balance due beginning of year	Balance due end of year
1 MORTGAGES AND NOTES PAYABLE	<input type="checkbox"/>	770,000	384,086	405,183
19 Totals	19	770,000	384,086	405,183

Line 65 (990) - Other liabilities

	Beginning	End
1 SECURITY DEPOSIT	12,379	0
2 BONDS PAYABLE	3,060,000	3,000,000
3 INTEREST RATE SWAP AGREEMENT	353,237	164,421
4		
5		
6		
7		
8		
9		
10		
11 Total other liabilities	3,425,616	3,164,421

Part III (990) - Organization's Primary Exempt Purpose

- 1 PROVIDE SHELTERED EMPLOYMENT TO MENTALLY AND PHYSICALLY HANDICAPPED PERSONS
 - 2
 - 3
 - 4
 - 5
-

REHABILITATION OPPORTUNITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2004

FEDERAL ID# 52-0857131

FORM 990 PART II, LINE 43

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,379,467	\$ 86,246	\$ 53,273	\$ 1,518,986
Client salaries	233,063	-	-	233,063
Payroll taxes	135,025	7,007	4,331	146,363
Employee benefits	119,763	24,619	5,295	149,677
	<u>1,867,318</u>	<u>117,872</u>	<u>62,899</u>	<u>2,048,089</u>
Total salaries and related expenses				
Depreciation and amortization	191,850	14,201	-	206,051
Interest	147,282	7,846	-	155,128
Transportation	120,836	4,800	-	125,636
Insurance	90,635	9,708	2,211	102,554
Utilities	71,275	2,305	3,260	76,840
Maintenance and repairs	31,009	9,464	651	41,124
Production supplies	53,558	-	-	53,558
Supplies	28,825	13,710	1,697	44,232
Bond letter of credit fees	-	24,465	-	24,465
Telephone	18,208	496	307	19,011
Professional fees	-	21,956	-	21,956
Advertising	-	857	3,021	3,878
Taxes	-	8,656	-	8,656
Dues and subscriptions	3,305	1,070	-	4,375
Rent	-	-	-	-
Miscellaneous	-	5,874	-	5,874
Seminars and training	4,358	244	45	4,647
Printing and publications	1,636	-	6,124	7,760
Bond administrative expenses	-	13,671	-	13,671
Bad debts	-	3,188	-	3,188
	<u>2,630,095</u>	<u>260,383</u>	<u>80,215</u>	<u>2,970,693</u>
Total expenses				

Rehabilitation Opportunities, Inc.

Federal ID# 52-0857131

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

(A) Name and Address	(B) Title and average hours per week devoted to the position	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Cordell Boone 5100 Philadelphia Way Lanham, MD 20706	President 37 hours/year	0	0	0
Tom Purcell 5100 Philadelphia Way Lanham, MD 20706	Vice-President 32 hours/year	0	0	0
David Fierst 5100 Philadelphia Way Lanham, MD 20706	Secretary 33 hours/year	0	0	0
Henry Neloms 5100 Philadelphia Way Lanham, MD 20706	Treasurer 32 hours/year	0	0	0
Gary Cunningham 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0
Tammi Pechner Shapiro 5100 Philadelphia Way Lanham, MD 20706	Director 29 hours/year	0	0	0
Tom Williams 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0
Benjamin Miller 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0
Steven Fleshman 5100 Philadelphia Way Lanham, MD 20706	Director 33 hours/year	0	0	0
Charles Jones 5100 Philadelphia Way Lanham, MD 20706	Director 29 hours/year	0	0	0
Carmen Burke 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0
Bruce Shapiro 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0
Julie Coons 5100 Philadelphia Way Lanham, MD 20706	Director 27 hours/year	0	0	0