

Return of Organization Exempt From Income Tax

2000

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the 2000 calendar year, or tax year period beginning 7/1/, 2000, and ending 6/30, 2001

- B** Check if applicable:
- Change of address
 - Change of name
 - Initial return
 - Final return
 - Amended return

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Elderhaven, Inc.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2501 N. Soldier Trail

City or town, state or country, and ZIP code
Tucson, AZ 85749

D Employer identification number
86-0935278

E Telephone number
520-749-8936

F Check if application pending

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

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

J Accounting method: Cash Accrual Other (specify)

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.

Note: H and I are not applicable to section 527 orgs.

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? Yes No
(If "No," attach a list. See inst.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit group exemption no. (GEN)

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)

FILMED NOV 30 2001

1 Contributions, gifts, grants, and similar amounts received:			
a Direct public support	1a	<u>9,733</u>	
b Indirect public support	1b		
c Government contributions (grants)	1c		
d Total (add lines 1a through 1c) (cash \$ <u>9,733</u> noncash \$ <u> </u>)	1d		<u>9,733.00</u>
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		<u>303,404.00</u>
3 Membership dues and assessments	3		
4 Interest on savings and temporary cash investments	4		
5 Dividends and interest from securities	5		
6a Gross rents	6a		
b Less: rental expenses	6b		
c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7 Other investment income (describe <u> </u>)	7		
8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	8a		
b Less: cost or other basis and sales expenses	8b		
c Gain or (loss) (attach schedule)	8c		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
9 Special events and activities (attach schedule)			
a Gross revenue (not including \$ <u> </u> of contributions reported on line 1a)	9a		
b Less: direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a Gross sales of inventory, less returns and allowances	10a		
b Less: cost of goods sold	10b		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11 Other revenue (from Part VII, line 103)	11		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		<u>313,137.00</u>
13 Program services (from line 44, column (B))	13		<u>291,618.00</u>
14 Management and general (from line 44, column (C))	14		<u>21,565.00</u>
15 Fundraising (from line 44, column (D))	15		<u>1,176.00</u>
16 Payments to affiliates (attach schedule)	16		
17 Total expenses (add lines 16 and 44, column (A))	17		<u>314,359.00</u>
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<u>(1,222.00)</u>
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		<u>23,316.00</u>
20 Other changes in net assets or fund balances (attach explanation)	20		<u>15,752</u>
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<u>37,846.00</u>

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

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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. (See Specific Instructions on page 20.)

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 \$ <u>160</u> noncash \$ _____)	160	160		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	49,400	41,990	7,410	
26	Other salaries and wages	67,099	67,099		
27	Pension plan contributions				
28	Other employee benefits	6,979	6,979		
29	Payroll taxes	12,345	12,345		
30	Professional fundraising fees	1,176			1,176
31	Accounting fees	4,802		4,802	
32	Legal fees				
33	Supplies	1,071	1,071		
34	Telephone	2,548	2,548		
35	Postage and shipping	900	900		
36	Occupancy	35,777	35,777		
37	Equipment rental and maintenance	72,957	72,957		
38	Printing and publications	8,457	8,457		
39	Travel	432	432		
40	Conferences, conventions, and meetings				
41	Interest	5,550	5,550		
42	Depreciation, depletion, etc. (attach schedule)	815		815	
43	Other expenses (itemize): a <u>Statement 4</u>	43,891	35,353	8,538	
b	_____				
c	_____				
d	_____				
e	_____				
44	Total functional expenses (add lines 22 through 43). <i>Organizations completing columns (B) - (D), carry these totals to lines 13 - 15.</i>	314,359.00	291,618.00	21,565.00	1,176.00

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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 (See Specific Instructions on page 23.)

What is the organization's primary exempt purpose? 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 <u>The entity provides elder care ambulatory assisted living services in an environment that recognizes the whole health of the individual; spiritual and physical.</u> (Grants and allocations \$ <u>160</u>)	291,618
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)	291,618.00

Part IV Balance Sheets (See Specific Instructions on page 23.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash — non-interest-bearing	6,034	45	8,519
	46 Savings and temporary cash investments	4,075	46	5,733
	47a Accounts receivable			
	b Less: allowance for doubtful accounts		47c	
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments — securities (attach schedule) ... <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments — land, buildings, and equipment: basis	4,738		
b Less: accumulated depreciation (attach schedule)	815	55c	3,923.00	
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)		57c		
58 Other assets (describe ► See Statement 5)	89,729	58	84,153	
59 Total assets (add lines 45 through 58) (must equal line 74)	99,838.00	59	102,328.00	
Liabilities	60 Accounts payable and accrued expenses	1,522	60	1,932
	61 Grants payable		61	
	62 Deferred revenue		62	
	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)	75,000	64b	62,550
	65 Other liabilities (describe ►)		65	
66 Total liabilities (add lines 60 through 65)	76,522.00	66	64,482.00	
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	23,316	67	37,846
	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 and column (B) must equal line 21)	23,316.00	73	37,846.00
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	99,838.00	74	102,328.00

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 Specific Instructions, page 25.)

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

a Total revenue, gains, and other support per audited financial statements ▶ **a** N/A

b Amounts included on line **a** but not on line 12, Form 990:

(1) Net unrealized gains on investments . . . \$ _____

(2) Donated services and use of facilities \$ _____

(3) Recoveries of prior year grants \$ _____

(4) Other (specify):
_____ \$ _____

Add amounts on lines (1) through (4) ▶ **b**

c Line **a** minus line **b** ▶ **c** 0.00

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** 0.00

a Total expenses and losses per audited financial statements ▶ **a** N/A

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):
_____ \$ _____

Add amounts on lines (1) through (4) ▶ **b**

c Line **a** minus line **b** ▶ **c** 0.00

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** 0.00

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 25.)

(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
Eugene L. Zerby 2501 N. Soldier Trail, Tucson, AZ	President 0	0	0	0
Florence Zerby 2501 N. Soldier Trail, Tucson, AZ	Vice Pres 0	0	0	0
William R. Deyo 1202 E. Knox Drive, Tucson, AZ	Sec/Treas 40	29,900	0	0
Jeannie M. Deyo 1202 E. Knox Drive, Tucson, AZ	Asst Sec 40	19,500	0	0
Susan Blommer 3130 N. Dodge Blvd, Tucson, AZ	Board Memb 0	0	0	0
Doris LeQuiou 801 Via Laterna, Tucson, AZ	Board Memb 0	0	0	0
Ellie Miller 1400 W. Dove Way, Tucson, AZ	Board Memb 0	0	0	0
Ernie Risek 12010 E. Dry Glutch Place, Tucson, AZ	Board Memb 0	0	0	0
John G. Sheley Sr. 11161 E. Edison, Tucson, AZ	Board Memb 0	0	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 Specific Instructions on page 26.

Part VI Other Information (See Specific Instructions on page 26.)

	N/A	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	76		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.	77		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		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?	80a		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 the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		0
b Did the organization file Form 1120-POL for this year?	81b		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?	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 for reporting in Part III.)	82b		N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c Dues, assessments, and similar amounts from members	85c		N/A
d Section 162(e) lobbying and political expenditures	85d		N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		0.00
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86 501(c)(7) 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
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>			
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			0
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			0
90a List the states with which a copy of this return is filed <u>Arizona</u>			
b Number of employees employed in the pay period that includes March 12, 2000 (See inst.)	90b		0
91 The books are in care of <u>William R. Deyo</u> Telephone no. <u>520-749-8936</u> Located at <u>2501 N. Soldier Trail, Tucson, AZ</u> ZIP code <u>85749</u>			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 — Check here <input type="checkbox"/> <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the tax year	92		N/A

Part VII: Analysis of Income-Producing Activities (See Specific Instructions on page 30.)

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 Resident Fees					303,344
b Interest Income			14	60	
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
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))				60.00	303,344.00
105 Total (add line 104, columns (B), (D), and (E))					303,404.00

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 Specific Instructions on page 31.)

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	These resident fees go directly to the expenses of providing Eldercare ambulatory assisted living services.

Part IX: Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31.)

(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 Specific Instructions on page 31.)

- (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. (Important:)

11/13/01 William R. Seyo
 Date Preparer's name and title
 SECTY/TREAS
 Date Check if Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2000

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

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

Name of the organization

Elderhaven, Inc.

Employer identification number

86-0935278

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
None				

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services

0

Part III Statements About Activities

	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>N/A</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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:		
a Sale, exchange, or leasing of property?	X	
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a Do you have a section 403(b) annuity plan for your employees?		X
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 5.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions — subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,804	3,050			5,854.00
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	273,822	169,620			443,442.00
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	206	333			539.00
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	0	525			525.00
23 Total of lines 15 through 22	276,832.00	173,528.00			450,360.00
24 Line 23 minus line 17	3,010.00	3,908.00			6,918.00
25 Enter 1% of line 23	2,768.32	1,735.28			

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	▶	26a	
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts		▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)		▶	26c	
d Add: Amounts from column (e) for lines:	18 _____ 19 _____			
	22 _____ 26b _____	▶	26d	
e Public support (line 26c minus line 26d total)		▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶	26f	%

27 Organizations described on line 12:

a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:

(1999) _____ (1998) _____ (1997) _____ (1996) _____

b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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.) 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:

(1999) _____ (1998) _____ (1997) _____ (1996) _____

c Add: Amounts from column (e) for lines:	15 5,854.00	16 _____		
	17 443,442.00	20 _____	21 _____	
d Add: Line 27a total				▶ 27c 449,296.00
				▶ 27d
e Public support (line 27c total minus line 27d total)				▶ 27e 449,296.00
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)			▶ 27f 450,360.00	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				▶ 27g 99.76 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				▶ 27h 0.12 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)

Part V. Private School Questionnaire (See page 5 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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

32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
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?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
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?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
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	35	

2000

Federal Statements

Page 1

Elderhaven, Inc.

86-0935278

Statement 1
Form 990, Part 1, Line 1d
Contribution, Gifts, and Grants

Not Open to Public Inspection

No single contributor gave \$5,000 or more during the year.

Statement 2
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

	<u>Ending</u>
Change in accounting method from cash to accrual, during tax period beginning 7/1/00, and ending 6/30/01.....	\$15,752.00
Total	<u>\$15,752.00</u>

Statement 3
Form 990, Part II, Line 22
Grants and Allocation

<u>Allocation Recipient</u>	<u>Amount</u>
Tucson Police Officers Association	\$ 85
Muscular Dystrophy Association	50
Teen Mania Ministries	<u>25</u>
Total	<u>\$ 160</u>

Elderhaven, Inc.

86-0935278

Statement 4
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
Other Expenses	Total	Program Services	Management & General	Fundraising
Amortization	\$ 8,538		8,538	
Bank fees	711	711		
Contract labor	50	50		
Decorations	100	100		
Employment costs	606	606		
Food serv. supplies	13,888	13,888		
Licenses & permits	200	200		
Miscellaneous	470	470		
Other profess. fees	3,109	3,109		
Repairs & maint.	7,996	7,996		
Resident costs	793	793		
Security	207	207		
Staffing employment	7,073	7,073		
Training	150	150		
Total	<u>\$43,891</u>	<u>35,353</u>	<u>8,538</u>	<u>0</u>

Statement 5
Form 990, Part IV, Line 58
Other Assets

	<u>Ending</u>
Net intangible assets (Goodwill and Incorporation Costs).....	\$84,153.36
Total	<u>\$84,153.36</u>

Statement 6
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

<u>Note Payable</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>
Zerby – Purchase of Equipment	\$75,000	\$62,550

Statement 7**Form 990 Schedule A, Part III, Line 2****Transactions with Trustees, Directors, etc.**

Journey's End (40% owned by Zerby's, 60% owned by Deyo's) leases the building to Elderhaven.

The Zerbys sold this business, along with their equipment to Elderhaven in year 1999. Installment payments are made on the note payable monthly in the amount of \$1,500.00.

Both of these transactions were fully disclosed on Form 1023 from which the IRS exemption letter, dated 11/1/98, was issued.

Elderhaven, Inc.

86-0935278

Statement 8
Schedule A, Part IV-A, Line 22
Other Income

<u>Description</u>	<u>(a) 1999</u>	<u>(b) 1998</u>	<u>(c) 1997</u>	<u>(d) 1996</u>	<u>(e) Total</u>
Miscellaneous	<u>\$ 0</u>	<u>\$ 525</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525</u>
	<u>\$ 0</u>	<u>\$ 525</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525</u>

Supplemental Information

Elderhaven, Inc.

86-0935278

Depreciation Schedule

As of June 30, 2001

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Current Sec 179	Prior Sec 179	Depr. Basis	Prior Depr.	Method	Life	Year	Rate	7/00-6/01	
													Current	Depr.
Amortization														
1	Goodwill	7/1/2000		75,000	-	-	75,000	-	S/L	15	1	N/A	5,000	
2	Incorporation Costs	7/1/2000		17,692	-	-	17,692	-	S/L	5	1	N/A	3,538	
Total Amortization				92,692	-	-	92,692	-					8,538	
Depreciation														
Machinery & Equipment														
1	Credit Card Machine	07/12/00		2,415	-	-	2,415	-	200DB HY	5	1	0.2000	483	
2	Alarms	12/01/00		207	-	-	207	-	200DB HY	7	1	0.1429	30	
3	Hoyer Lift & Swing	06/29/01		345	-	-	345	-	200DB HY	7	1	0.1429	49	
Total Machinery & Equipment				2,967	-	-	2,967	-					562	
Furniture & Fixtures														
1	Furniture	Various		511	-	-	511	-	200DB HY	7	1	0.1429	73	
2	Hospital Beds	03/22/01		750	-	-	750	-	200DB HY	7	1	0.1429	107	
3	Misc Carts & Cabinets	03/22/01		510	-	-	510	-	200DB HY	7	1	0.1429	73	
Total Furniture & Fixtures				1,771	-	-	1,771	-					253	
Grand Total Depreciation				4,738	-	-	4,738	-					815	
Grand Total Amortization				92,692	-	-	92,692	-					8,538	

DAVIS & ROONEY, CPAs, LLP

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To the Board of Directors
Elderhaven, Inc.
Tucson, Arizona

We have compiled the accompanying Statement of Assets, Liabilities, and Fund Balances of Elderhaven, Inc. (an Arizona Not-for-Profit corporation) as of June 30, 2001, the related Statement of Support, Revenue, and Expenses for the year then ended, and the Statement of Cash Flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and information that is the representation of officers. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The officers have elected to omit substantially all of the disclosures required by generally accepted accounting principles and a statement of changes in fund balances. If the omitted disclosures and a statement of changes in fund balances were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Davis & Rooney, CPAs, L.L.P.

November 9, 2001
Tucson, Arizona

ELDERHAVEN, INC.**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES**As of June 30, 2001

ASSETSCurrent assets

Cash	
Checking	\$ 2,877
Payroll	3,568
Cash reserve	5,733
Designated funds	996
Total current assets	<u>13,173</u>

Other current assets

Prepaid expenses	1,079
Total other current assets	<u>1,079</u>

Property & equipment

Machinery & equipment	2,967
Furniture & fixtures	1,771
Less accumulated depreciation	(815)
Total property & equipment	<u>3,923</u>

Other assets

Goodwill	75,000
Incorporation costs	17,692
Less accumulated amortization	(8,538)
Total other assets	<u>84,153</u>
	<u>\$ 102,328</u>

LIABILITIES AND FUND BALANCESCurrent liabilities

Payroll liabilities	1,932
Total current liabilities	<u>1,932</u>

Note payable - Zerby (related party)	62,550
Total liabilities	<u>64,482</u>

Fund balances

Beginning fund balance	
Unrestricted	39,068
Temporarily restricted	-
Permanently restricted	-
Surplus (deficit)	(1,223)
Ending Fund Balance (unrestricted)	<u>37,846</u>
	<u>\$ 102,328</u>

ELDERHAVEN, INC.**STATEMENT OF REVENUE, SUPPORT, AND EXPENSES**For the year ended June 30, 2001

REVENUE AND SUPPORT

Resident fees	\$ 303,344
Contribution income	7,997
In-kind contributions	1,737
Interest income	60
Total revenue and support	<u>313,137</u>

EXPENSES

Advertising	8,279
Amortization	8,538
Appliance	57
Automobile expense	424
Bank fees	711
Contract labor	50
Contributions	160
Decorations	100
Depreciation	815
Employee benefits	492
Employer convenience	18,000
Employment costs	606
Equipment rental & maintenance	72,900
Food service supplies	13,888
Fundraising	1,572
Group insurance - officers	6,486
Insurance expense	2,309
Interest expense	5,550
Licenses and permits	200
Miscellaneous	472
Payroll expenses - employee	67,099
Payroll expenses - officers	49,400
Payroll tax expense	12,345
Printing and reproduction	177
Professional fees	7,911
Repairs and maintenance	7,996
Resident costs	793
Security	207
Staffing employment	7,073
Supplies	1,575
Training	150
Travel and entertainment	8
Utilities	18,016
Total expenses	<u>314,359</u>
Surplus (deficit)	<u>\$ (1,223)</u>

ELDERHAVEN, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2001

Cash flows from operating activities

Surplus (deficit)		\$ (1,223)
Adjustments to reconcile surplus (deficit) to net cash used/provided by operating activities:		
Depreciation	815	
Amortization	8,538	
Increase in prepaid expenses	(1,079)	
Increase in payroll liabilities	410	8,684
Net cash provided by operating activities		<u>7,461</u>

Cash flows from investing activities

Incorporation costs	(3,157)	
Purchases of machinery & equipment	(2,967)	
Purchases of furniture & fixtures	(1,771)	
Net cash used by investing activities		<u>(7,895)</u>

Cash flows from financing activities

Effect of change in accounting method (cash to accrual)	15,753	
Payment on note payable - Zerby (related party)	(12,450)	
Net cash provided by financing activities		<u>3,303</u>
Net increase/decrease in cash		2,869
Cash, July 1, 2000		10,304
Cash, June 30, 2001		<u><u>\$ 13,173</u></u>