

Return of Organization Exempt From Income Tax

2002

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

Open to Public Inspection

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 2002 calendar year, or tax year beginning July 1, 2002, 2002, and ending 6-30, 2003

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

C Name of organization
Pathway Family Center

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
23100 Providence Drive., Ste300

City or town, state or country, and ZIP + 4
Southfield, MI 48075

D Employer identification number
38-3118719

E Telephone number
248-443-0105

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? Yes No

H(b) If 'Yes,' enter number of affiliates ▶

H(c) Are all affiliates included? N/A Yes No
(If 'No,' attach a list. See instructions.)

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

I Enter 4 digit GEN ▶

G Web site ▶

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

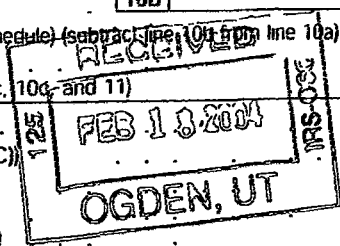
K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	<u>438,351</u>		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		<u>438,351</u>	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		<u>1,191,103</u>	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			<u>2</u>
	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			
Revenue	7 Other investment income (describe ▶)	7			
	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
			8a		
			8b		
			8c		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
	9 Special events and activities (attach schedule) <u>See Statement 1</u>	a Gross revenue (not including \$ <u>14,425</u> of contributions reported on line 1a)	9a	<u>16,360</u>	
		b Less direct expenses other than fundraising expenses	9b	<u>13,892</u>	
		c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		<u>2,468</u>
	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>1,631,924</u>		
Expenses	13 Program services (from line 44, column (B))	13		<u>1,170,682</u>	
	14 Management and general (from line 44, column (C))	14		<u>252,510</u>	
	15 Fundraising (from line 44, column (D))	15		<u>70,048</u>	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17		<u>1,493,240</u>	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<u>138,684</u>	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		<u>(160,766)</u>	
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<u>(22,082)</u>	

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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 page 21 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 \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	157,075	73,645	54,333	29,097
26	Other salaries and wages	616,183	537,384	77,792	1,007
27	Pension plan contributions	7,170	7,170		
28	Other employee benefits	27,252	21,796	4,212	1,244
29	Payroll taxes	66,285	52,764	10,763	2,758
30	Professional fundraising fees				
31	Accounting fees	19,031	19,031		
32	Legal fees	674	495	179	
33	Supplies	16,329	8,660	6,782	887
34	Telephone	18,233	12,775	4,243	1,215
35	Postage and shipping	5,538	1,989	1,821	1,728
36	Occupancy	191,190	162,924	18,844	9,422
37	Equipment rental and maintenance	15,065	9,141	5,030	344
38	Printing and publications				
39	Travel	26,286	19,261	3,988	3,037
40	Conferences, conventions, and meetings				
41	Interest	13,694		13,694	
42	Depreciation, depletion, etc (attach schedule)	3,600	3,061	359	180
43	Other expenses not covered above (itemize) a				
b				
c				
d				
e	See Statement 2	309,635	240,586	50,420	18,629
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	1,493,240	1,170,682	252,510	70,048

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 24 of the instructions.)

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)
a The Organization provides a drug dependency therapy to help youths aged 12-19 to overcome their addiction counseling and support for family members is also provided. (Grants and allocations \$ _____)	1,170,682
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) ▶	

Part IV Balance Sheets (See page 24 of the instructions)

		(A) Beginning of year		(B) End of year		
<i>Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only</i>						
Assets	45	Cash—non-interest-bearing	48,200	45	90,276	
	46	Savings and temporary cash investments	657	46	659	
	47a	Accounts receivable	276,162	47c	183,966	
	b	Less allowance for doubtful accounts	92,196			
	47b		187,308			
	48a	Pledges receivable	50,000	48c	50,000	
	b	Less allowance for doubtful accounts				
	48b		30,000			
	49	Grants receivable		49		
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a	Other notes and loans receivable (attach schedule)		51c		
	b	Less: allowance for doubtful accounts				
	51b					
	52	Inventories for sale or use		52		
	53	Prepaid expenses and deferred charges	1,986	53	552	
54	Investments—securities (attach schedule) #4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,124	54	1,124		
55a	Investments—land, buildings, and equipment, basis	2,112	55c	2,112		
b	Less accumulated depreciation (attach schedule)					
55b		42,677				
56	Investments—other (attach schedule)		56			
57a	Land, buildings, and equipment, basis	50,899	57c	37,043		
b	Less accumulated depreciation (attach schedule)					
57b		13,856				
58	Other assets (describe ► <u>Security Deposits</u>)	24,912	58	13,754		
59	Total assets (add lines 45 through 58) (must equal line 74)	370,733	59	379,486		
Liabilities	60	Accounts payable and accrued expenses	199,484	60	166,497	
	61	Grants payable		61		
	62	Deferred revenue	111,405	62	37,860	
	63	Loans from officers, directors, trustees, and key employees (attach schedule) <u>Statement 5</u>	17,390	63	6,525	
	64a	Tax-exempt bond liabilities (attach schedule)		64a		
	b	Mortgages and other notes payable (attach schedule)	203,220	64b	190,686	
	65	Other liabilities (describe ► <u>Statement 6</u>)		65		
66	Total liabilities (add lines 60 through 65)	531,499	66	401,568		
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	(160,766)	67	(22,082)	
	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).	(160,766)	73	(22,082)		
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	370,733	74	379,486		

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

Part VI Other Information (See page 27 of the instructions)

Form with questions 76-92 and Yes/No columns. Includes questions about IRS reporting, business income, political expenditures, and tax-exempt status.

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Fees For Service					1,173,084
b Misc. Receipts					18,019
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			14	2	
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					2,468
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))				2	1,193,571
105 Total (add line 104, columns (B), (D), and (E))					1,193,573

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 page 32 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93	Provided funds to enable the organization to provide drug
101	dependency therapy to youth aged 12-19 also their families.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

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: Jessie C. Nessley Date: 2/17/04

Preparer's Title: President & CEO

Date: 2/17/04 Check if self-prepared: Preparer's SSN or PTIN (See Gen. Inst. W):

Part III Statements About Activities (See page 2 of the 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 ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 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>	1	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? See statement 8</p> <p>b Lending of money or other extension of credit?</p> <p>c Furnishing of goods, services, or facilities?</p> <p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p>e Transfer of any part of its income or assets?</p>	2a 2b 2c 2d 2e	 x x x
<p>3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)</p> <p>4 Do you have a section 403(b) annuity plan for your employees?</p>	3 4	 x x
<p>Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments</p>		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)						
<p>The organization is not a private foundation because it is (Please check only ONE applicable box.)</p> <p>5 <input type="checkbox"/> A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)</p> <p>6 <input type="checkbox"/> A school Section 170(b)(1)(A)(ii) (Also complete Part V)</p> <p>7 <input type="checkbox"/> A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)</p> <p>8 <input type="checkbox"/> A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)</p> <p>9 <input type="checkbox"/> A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____</p> <p>10 <input type="checkbox"/> 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)</p> <p>11a <input type="checkbox"/> 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)</p> <p>11b <input type="checkbox"/> A community trust Section 170(b)(1)(A)(vii) (Also complete the Support Schedule in Part IV-A)</p> <p>12 <input checked="" type="checkbox"/> 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)</p> <p>13 <input type="checkbox"/> 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))</p>						
<p style="text-align: center;">Provide the following information about the supported organizations (See page 5 of the instructions.)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">(a) Name(s) of supported organization(s)</th> <th style="width: 30%;">(b) Line number from above</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	(a) Name(s) of supported organization(s)	(b) Line number from above				
(a) Name(s) of supported organization(s)	(b) Line number from above					
<p>14 <input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions.)</p>						

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

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	170,126	529,816	162,905	62,288	725,135
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	1,261,233	935,697	541,677	642,137	3,380,744
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	507	99	104	722
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	1,431,371	1,266,020	704,681	704,529	4,106,601
24 Line 23 minus line 17	170,138	330,323	163,004	62,392	725,857
25 Enter 1% of line 23	14,314	12,660	7,047	7,045	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 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 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c N/A
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year (2001) 11,060 (2000) 3,015 (1999) 12,482 (1998) 1,075					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2001) 0 (2000) 0 (1999) 0 (1998) 0					
c Add Amounts from column (e) for lines 15 <u>725,135</u> 16 _____ 17 <u>3,380,744</u> 20 _____ 21 _____					27c 4,105,879
d Add Line 27a total <u>27,632</u> and line 27b total _____					27d 27,632
e Public support (line 27c total minus line 27d total)					27e 4,078,247
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f 4,106,601
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.309 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .014 %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions)
 (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 page 9 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	N/A	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
41	Lobbying nontaxable amount Enter the amount from the following table—		
	If the amount on line 40 is—		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is—		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities (See page 11 of the instructions)
 (For reporting only by organizations that did not complete Part VI-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	N/A		Amount
	Yes	No	
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities			

PATHWAY FAMILY CENTER 38-3118719

Other Expenses

Statement 2

	Total	Program	Mgt/General	Fundraising
Outside Services	-724	-827	93	10
Education	52535	52535		0
Collections Exp	3380		3380	0
Payroll Service	4582	0	4582	0
Promotion	33960	33960		0
Staff Training	3856	3192	482	182
Bad Debt	36087	0	36087	0
Fundraising	17595	0		17595
Bank Charges	1460	0	1460	0
Licenses	9817	9642	120	55
Dues and Subscriptions	1753	1492	174	87
Professional Fees	79944	77083	2286	575
Medical and Housing	44524	44524		
Insurance	11692	10460	1185	47
Miscellaneous	9174	8525	571	78
Total to 990, Part II, Line 43	309635	240586	50420	18629

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
 PART III

EXPLANATION

DRUG DEPENDANCY THERAPY PROGRAM TO HELP YOUTHS OVERCOME THEIR ADDICTION AND TO PROVIDE COUNSELING TO THEIR FAMILY MEMBERS.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 4

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
MARKETABLE SECURITIES	1,124.				1,124.
TO 990, LN 54 COL B	1,124.				1,124.

Pathway Family Center - 383118719

Loans from Officers, Directors, Trustees, & Key Employees

Statement 5

7/1/02 - 6/30/03

<u>Name</u>	<u>Principal Pmts</u>	<u>Interest Pmts</u>	<u>Total Pmts</u>	<u>Balance Due</u>
Lynn Naoum	\$1,567 47	\$368 61	\$1,936 08	\$3,065 46
Bill Linville	\$2,517 63	\$251 01	\$2,768 64	\$1,153 60
Tern Nissley	\$2,517.63	\$251 01	\$2,768.64	\$1,153 60
Tim Youngblood	\$2,517 63	\$251 01	\$2,768 64	\$1,153 60
Gary Kay	\$2,144 00	\$53 90	\$2,197 90	\$0 00
	\$11,264 36	\$1,175 54	\$12,439 90	\$6,526 26

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 6

LENDER'S NAME TERMS OF REPAYMENT
 BANK ONE INTEREST IS PAYABLE
 MONTHLY, PRINCIPAL IS
 PAYABLE ON DEMAND

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
07/01/97		50,500.	6.0%

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN
 ACCOUNTS RECEIVABLE WORKING CAPITAL LINE OF CREDIT

RELATIONSHIP OF LENDER

N/A

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
N/A	0.	48,552.

LENDER'S NAME TERMS OF REPAYMENT
 FRANCES S. PROCOPIO TRUST MONTHLY PRINCIPAL AND
 U/A/S 7/22/91 INTEREST PAYMENTS OF \$950

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
02/12/97	01/ /05	75,000.	9.00%

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN
 ACCOUNTS RECEIVABLE TO PROVIDE OPERATING FUNDS

RELATIONSHIP OF LENDER

N/A

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
N/A	0.	35,493.

<u>LENDER'S NAME</u>	<u>TERMS OF REPAYMENT</u>
MICHIGAN LEAGUE	MONTHLY PRINCIPAL PAYMENTS OF \$500 PLUS

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
02/01/95		27,250.	0.00%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
THIRD PARTY GUARANTEE	TO PROVIDE OPERATING FUNDS

RELATIONSHIP OF LENDER

N/A

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
N/A	0.	6,741.

<u>LENDER'S NAME</u>	<u>TERMS OF REPAYMENT</u>
NATIONAL CITY BANK	INTEREST IS PAYABLE MONTHLY, PRINCIPAL IS PAYABLE ON DEMAND

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
05/04/00		49,900.	5.105%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
ACCOUNTS RECEIVABLE AND CASH	TO PROVIDE START UP FUNDS FOR NEW LOCATION

RELATIONSHIP OF LENDER

N/A

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
N/A	0.	99,900.

<u>TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B</u>	<u>190,686.</u>
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FORM 990

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

STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LYNN STEVENS-NAOUM 32100 TELEGRAPH, SUITE 200 BINGHAM FARMS, MI 48025-2454	DIRECTOR 5	0.	0.	0.
TERRI NISSLEY 12063 OLD STONE DR INDIANAPOLIS, IN 46236	PRESIDENT & CEO 40	84,975.	0.	16,751.
SCOTT ADLER 43421 GARFIELD, SUITE 203 CLINTON TOWNSHIP, MI 48038	CHAIRMAN 5	0.	0.	0.
KATHY MECHIGAN 32724 BINGHAM LANE BINGHAM FRAMS, MI 48025-2454	DIRECTOR 5	0.	0.	0.
TIM YOUNGBLOOD 7819 SCARBOROUGH BLVD INDIANAPOLIS, IN 46256	CHIEF OPERATING OFFICER 40	72,100.	0.	7,885.
GARY KAY 2561 BLACK PINE TRAIL TROY, MI 48098	DIRECTOR 5	0.	0.	0.
MARK WILCOX 27087 GRATIOT ROSEVILLE, MI 48066	DIRECTOR 5	0.	0.	0.
JOHN DELANEY 6402 CORPORATE DR INDIANAPOLIS, IN 46278	DIRECTOR 5	0.	0.	0.
STEVE HUMKE BOX 82001 INDIANAPOLIS, IN 46282-0002	DIRECTOR 5	0.	0.	0.
BILL LINVILLE 600 E 96TH ST, SUITE 100 INDIANAPOLIS, IN 46240	DIRECTOR 5	0.	0.	0.
CHRIS SUELZER, MD 6401 RIVERVIEW DR INDIANAPOLIS, IN 46220	DIRECTOR 5	0.	0.	0.
SUE SHERBOW 26399 YORK HUNTINGTON WOODS, MI 48070		52,100.		10,686.

SCHEDULE A

STATEMENT 8

STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES,
DIRECTORS, CREATORS, KEY EMPLOYEES, ETC. PART III, LINE 2

REPAY LOAN TO DIRECTOR LYNN NAOUM-\$1567 PRINCIPAL AND \$368 INTEREST
REPAY LOAN TO CEO TERRI NISSLEY-\$2518 PRINCIPAL AND \$251 INTEREST
REPAY LOAN TO COO TIM YOUNGBLOOD-\$2518 PRINCIPAL AND \$251 INTEREST
REPAY LOAN TO DIRECTOR GARY KAY-\$2144 PRINCIPAL AND \$54 INTEREST
REPAY LOAN TO DIRECTOR BILL LINVILLE-\$2518 PRINCIPAL AND \$251 INTEREST