

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2002

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2002 calendar year, or tax year beginning 9-1, 2002, and ending 8-31, 2003

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

GRAYSON COUNTY JUVENILE ALTERNATIVES, INC.

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

P.O. BOX 1625

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

SHERMAN TX 75091

D Employer identification number

75-1550809

E Telephone number

(903) 893-4717

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? 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 ▶

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Web site: ▶ www.gcja.org

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

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

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

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

1 Contributions, gifts, grants, and similar amounts received:				
a Direct public support	1a	74,886		
b Indirect public support	1b	38,390		
c Government contributions (grants)	1c	969,230		
d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		1,082,506	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		250,167	
3 Membership dues and assessments	3			
4 Interest on savings and temporary cash investments	4		8,520	
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 ▶)	7			
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b Less: cost or other basis and sales expenses	8a			
c Gain or (loss) (attach schedule)	8b			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
8d	8d			
9 Special events and activities (attach schedule)				
a Gross revenue (not including \$ _____ 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		1,341,193	
13 Program services (from line 44, column (B))	13		1,224,566	
14 Management and general (from line 44, column (C))	14		49,368	
15 Fundraising (from line 44, column (D))	15			
16 Payments to affiliates (attach schedule)	16			
17 Total expenses (add lines 16 and 44, column (A))	17		1,273,934	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		67,259	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		913,472	
20 Other changes in net assets or fund balances (attach explanation)	20		(1,322)	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		979,409	

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.)

Table with 5 columns: Description, (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include items like Grants and allocations, Salaries and wages, Pension plan contributions, etc., ending with Total functional expenses.

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 [X] 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? SEE (a) BELOW
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.)

Table for Program Service Accomplishments with 2 columns: Description and Program Service Expenses. Row (a) includes EMERGENCY SHELTER AND COUNSELING FOR YOUTH IN TROUBLE with 1,252 clients and 2,827 days of care, totaling \$1,224,566 in expenses.

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

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	57,958	45	201,433
	46 Savings and temporary cash investments	332,394	46	356,174
	47a Accounts receivable	91,312		
	b Less: allowance for doubtful accounts		159,538	47c 91,312
	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	29,621	53	29,587
	54 Investments — securities (attach schedule)			54
	55a Investments — land, buildings, and equipment: basis			
b Less: accumulated depreciation (attach schedule)			55c	
56 Investments — other (attach schedule)			56	
57a Land, buildings, and equipment: basis	512,207			
b Less: accumulated depreciation (attach schedule)	147,424	387,800	57c 364,783	
58 Other assets (describe ► ACCRUED INTEREST RECEIVABLE)	1,756	58		
59 Total assets (add lines 45 through 58) (must equal line 74)	969,067	59	1,043,289	
Liabilities	60 Accounts payable and accrued expenses	55,595	60	63,880
	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)		64b	
	65 Other liabilities (describe ► _____)		65	
66 Total liabilities (add lines 60 through 65)	55,595	66	63,880	
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	912,997	67	979,019
	68 Temporarily restricted	475	68	390
	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)	913,472	73	979,409	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	969,067	74	1,043,289	

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.)

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? 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 and check whether it is exempt or nonexempt.
81a Enter direct or indirect political expenditures. See line 81 instructions 81a N/A
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 in Part III.) 82b
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 X
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? 85b N/A
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
d Section 162(e) lobbying and political expenditures 85d
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
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? 85h N/A
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a
b Gross receipts, included on line 12, for public use of club facilities 86b
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b
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 0 ; section 4912 0 ; section 4955 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 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 NONE
b Number of employees employed in the pay period that includes March 12, 2002 (See instructions.) 90b
91 The books are in care of PAM JOHNSON, EXECUTIVE DIRECTOR Telephone no. (903) 893-4717
Located at 1602 E. LAMAR, SHERMAN, TEXAS ZIP + 4 75091
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 — Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92

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 PROGRAM SERVICE FEE					250,167
b					
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	8,520	
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))				8,520	250,167
105 Total (add line 104, columns (B), (D), and (E))					258,687

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	SERVICE FEES RECEIVED HELP PAY FOR COUNSELING FEES AND WAGES OF EMPLOYEES INVOLVED IN THE COUNSELING PROCESS.

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
	%			
	%			
	%			
	%			

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 Here: *Joseph E. Madden* Signature of officer, Date: 1/9/2004
 Type or print name and title: Joseph E. Madden

Paid Preparer's Use Only: Preparer's signature: *Robert Bortner*, Date: 1/12/04, Check if self-employed: , Preparer's SSN or PTIN (See Gen. Inst. W): 467-70-2567
 Firm's name (or yours if self-employed), address, and ZIP + 4: MCCLANAHAN AND HOLMES, PLLC, 304 W. CHESTNUT STREET, DENISON, TX 75020-3111, EIN: 75-0946514, Phone no.: (903) 465-6070