

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2002

Department of the Treasury
Internal Revenue Service

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

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 period beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization DILLON SOUTHWEST INC	D Employer identification number 86-0648183
	Number and street (or P O box if mail is not delivered to street address) Room/suite 3014 N HAYDEN ROAD, #101	E Telephone number 480-945-2221
	City or town, state or country, and ZIP + 4 SCOTTSDALE, AZ 85251	F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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)

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

G Web site **DILLONSOUTHWEST.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

I Enter 4-digit GEN

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **287,365.**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a		35,660.	
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 27,041. noncash \$ 8,619.)				1d 35,660.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2 238,190.
	3 Membership dues and assessments				3
	4 Interest on savings and temporary cash investments				4 2,159.
	5 Dividends and interest from securities				5
	6 a 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	
8 a Gross amount from sale of assets other than inventory	(A) Securities		(B) Other		
	8a		25.		
	b Less cost or other basis and sales expenses	8b			
	c Gain or (loss) (attach schedule)	8c		25.	
d Net gain or (loss) (combine line 8c, columns (A) and (B))		Stmt 1		8d 25.	
9 Special events and activities (attach schedule)					
a Gross revenue (not including \$ 7,019. of contributions reported on line 1a)	9a		10,642.		
b Less direct expenses other than fundraising expenses	9b		13,378.		
c Net income or (loss) from special events (subtract line 9b from line 9a)		See Statement 2		9c -2,736.	
10 a Gross sales of inventory, less returns and allowances	10a		688.		
	b Less cost of goods sold	10b		880.	
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		Stmt 3		10c -192.
11 Other revenue (from Part VII, line 10b)				11 1.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				12 273,107.	
Expenses	13 Program services (from line 44, column (B))			13 185,723.	
	14 Management and general (from line 44, column (C))			14 94,147.	
	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))				17 279,870.
18 Excess or (deficit) for the year (subtract line 17 from line 12)				18 -6,763.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))				19 192,467.	
20 Other changes in net assets or fund balances (attach explanation)				20 0.	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				21 185,704.	

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (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	71,987.	43,332.	28,655.	0.
26	Other salaries and wages	71,195.	34,666.	36,529.	
27	Pension plan contributions				
28	Other employee benefits	425.	231.	194.	
29	Payroll taxes	10,906.	5,941.	4,965.	
30	Professional fundraising fees				
31	Accounting fees	5,215.		5,215.	
32	Legal fees				
33	Supplies	4,797.	3,198.	1,599.	
34	Telephone	3,131.	2,087.	1,044.	
35	Postage and shipping	3,115.	2,077.	1,038.	
36	Occupancy	18,755.	9,378.	9,377.	
37	Equipment rental and maintenance				
38	Printing and publications	1,889.	1,259.	630.	
39	Travel	3,940.	3,940.		
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	1,865.		1,865.	
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	See Statement 4	82,650.	79,614.	3,036.	
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	279,870.	185,723.	94,147.	0.

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

What is the organization's primary exempt purpose?

ADOPTION OF CHILDREN FROM OUTSIDE OF USA

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	ACTIVITY FOR 2002: 52 PRE-APPLICATIONS, 47 APPLICATIONS, 42 HOME STUDY/HOME STUDY UPDATES, 32 ADOPTION SERVICES, 47 POST PLACEMENTS (Grants and allocations \$ _____)	185,723.
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)	185,723.

Part IV Balance Sheets

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	26,653.	45 17,142.
	46 Savings and temporary cash investments	163,313.	46 158,472.
	47 a Accounts receivable	47a 13,325.	
	b Less allowance for doubtful accounts	47b	47c 13,325.
	48 a Pledges receivable	48a	
	b Less allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use	300.	52 420.
	53 Prepaid expenses and deferred charges	6,767.	53 6,444.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55 a Investments - land, buildings, and equipment basis	55a	
	b Less accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment basis	57a 33,569.		
b Less accumulated depreciation Stmt 5	57b 25,194.	57c 8,375.	
58 Other assets (describe)		58	
59 Total assets (add lines 45 through 58) (must equal line 74)	209,540.	59 204,178.	
Liabilities	60 Accounts payable and accrued expenses	17,073.	60 18,474.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe)		65
	66 Total liabilities (add lines 60 through 65)	17,073.	66 18,474.
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	182,467.	67 175,704.
	68 Temporarily restricted		68
	69 Permanently restricted	10,000.	69 10,000.
	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)	192,467.	73 185,704.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	209,540.	74 204,178.	

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

a Total revenue, gains, and other support per audited financial statements	a 273,107.
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 0.
c Line a minus line b	c 273,107.
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 0.
e Total revenue per line 12, Form 990 (line c plus line d)	e 273,107.

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

a Total expenses and losses per audited financial statements	a 279,870.
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 0.
c Line a minus line b	c 279,870.
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 0.
e Total expenses per line 17, Form 990 (line c plus line d)	e 279,870.

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

(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
DONALD FAUSEL 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	PRESIDENT/GOVERNING BOARD 2	0.	0.	0.
MARSHA USDANE 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	SECRETARY/DIRECTOR 48	69,068.	0.	0.
KATHY SHIMPOCK 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	VICE PRES/GOVERNING BOARD 2	0.	0.	0.
DAVID COVERT 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	TREASURER/GOVERNING BOARD 2	0.	0.	0.
NAN THIES 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	GOVERNING BOARD 2	0.	0.	0.
EMILIE SUNDIE-RESIGNED JULY 30, 2002 3014 N HAYDEN RD, #101 SCOTTSDALE, AZ 85251	PRES/TREASURER/DIRECTOR 8	2,919.	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? If "Yes," attach schedule Yes No Form 990 (2002)

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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 N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? 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 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 N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 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? N/A		
86	501(c)(7) organizations 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) organizations 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		X
89 a	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) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization 0.		
90 a	List the states with which a copy of this return is filed ARIZONA		
b	Number of employees employed in the pay period that includes March 12, 2002 90b 5		
91	The books are in care of DILLON SOUTHWEST INC Telephone no 480-945-2221		
Located at 3014 N HAYDEN RD #101, SCOTTSDALE, AZ ZIP + 4 85251			

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a APPLICATIONS/HOME STUDY					51,090.
b ADOPTION SERVICE FEES					146,400.
c POST PLACEMENT FEES					40,350.
d RECERTIFICATION FEES					350.
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	2,159.	
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					25.
101 Net income or (loss) from special events					-2,736.
102 Gross profit or (loss) from sales of inventory			03	-192.	
103 Other revenue					
a OTHER INCOME					1.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		1,967.	235,480.
105 Total (add line 104, columns (B), (D), and (E))					237,447.

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)
▼	See Statement 6

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

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

Part X Information Regarding Transfers Associated with

(a) Did the organization, during the year, receive any funds, directly or indirectly, to...
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a...
Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

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 and correct. Declaration of preparer (other than officer) is based on all information furnished by the taxpayer.

Signature of officer: *[Signature]* Date: *[Date]*

Preparer's signature: *[Signature]*

Preparer's Use Only

Firm's name (or yours if self-employed), address and ZIP + 4:
 LINSALATA & CO., P.C.
 7330 N. 16TH ST, #B201
 PHOENIX, AZ 85020-5274

223161 01-22-03

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

2002

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

DILLON SOUTHWEST INC

Employer identification number

86 0648183

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	▶ 0	

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) 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 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)		
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)? See Part V, Form 990	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?		X
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		

Part IV Reason for Non-Private Foundation Status (See pages 3 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)
- 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	47,469.	31,967.	23,084.	24,238.	126,758.
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	236,181.	308,721.	204,676.	187,716.	937,294.
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	4,630.	4,702.	1,972.	1,146.	12,450.
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	288,280.	345,390.	229,732.	213,100.	1,076,502.
24 Line 23 minus line 17	52,099.	36,669.	25,056.	25,384.	139,208.
25 Enter 1% of line 23	2,883.	3,454.	2,297.	2,131.	
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 sum 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) 0.	(2000) 0.	(1999) 0.	(1998) 0.	
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year				
	(2001) 14,638.	(2000) 28,137.	(1999) 15,950.	(1998) 3,000.	
	c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 937,294. 20 _____ 21 _____				27c 1,064,052.
	d Add Line 27a total 0. and line 27b total 61,725.				27d 61,725.
	e Public support (line 27c total minus line 27d total)				27e 1,002,327.
	f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)				27f 1,076,502.
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g 93.1096%
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h 1.1565%
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	None				

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d	
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
34 a	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? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
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	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

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

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines e 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 e through h)

Yes	No	Amount
		0.

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

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

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

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

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

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

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

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

N/A

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Depreciation and Amortization 990
 (Including Information on Listed Property)

2002

Attachment
 Sequence No 67

▶ See separate instructions ▶ Attach to your tax return

Name(s) shown on return

Business or activity to which this form relates

Identifying number

DILLON SOUTHWEST INC

Form 990 Page 2

86-0648183

Part I Election To Expense Certain Tangible Property Under Section 179 Note If you have any listed property, complete Part V before you complete Part I

1 Maximum amount See instructions for a higher limit for certain businesses	1	24,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property Enter amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2003 Add lines 9 and 10, less line 12	13	

Note. Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election (see instructions)	15	
16 Other depreciation (including ACRS) (see instructions)	16	1,865.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3 year property						
b 5 year property						
c 7 year property						
d 10-year property						
e 15 year property						
f 20-year property						
g 25 year property			25 yrs		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12 year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV Summary (See instructions)

21 Listed property Enter amount from line 28	21	
22 Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations see instr	22	1,865.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)
Note For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution See instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year					
43 Amortization of costs that began before your 2002 tax year					43
44 Total Add amounts in column (f) See instructions for where to report					44

FY 01/01/2002-12/31/2002

11 23 07AM

Depreciation Expense

Financial

For the Period: 1/1/2002 - 12/31/2002

Sorted (1) Debit Account Number

(2) Date Acquired (3) None

(4) None (5) None

System No	S	Description	Date In Service	Method/ Convention	Life	Cost	Bus / Inv %	Sec 179/ Bonus	Salvage/ Basis Adj	Beg Accum Depreciation	Current Depreciation	Ending Accum Depreciation
1400												
FIRE PROOF FILE CABINET												
1			06/30/83	SL N/A	5 0	315 00	100 0000	0 00	0 00	315 00	0 00	315 00
24 CLASSROOM CHAIRS												
2			09/30/84	SL N/A	5 0	223 45	100 0000	0 00	0 00	223 45	0 00	223 45
SOFA & LOVESEAT												
3			02/21/85	SL N/A	5 0	881 91	100 0000	0 00	0 00	881 91	0 00	881 91
PICTURE FRAMES												
4			03/16/85	SL N/A	5 0	149 99	100 0000	0 00	0 00	149 99	0 00	149 99
BEAN BAG CHAIRS												
5			05/11/85	SL N/A	5 0	73 97	100 0000	0 00	0 00	73 97	0 00	73 97
FIRE PROOF FILE CABINET												
6			06/17/85	SL N/A	5 0	448 70	100 0000	0 00	0 00	448 70	0 00	448 70
TYPEWRITER												
7			06/24/85	SL N/A	5 0	846 94	100 0000	0 00	0 00	846 94	0 00	846 94
SOFA GROUP												
8			12/20/85	SL N/A	5 0	2,226 00	100 0000	0 00	0 00	2,226 00	0 00	2,226 00
CABINETS												
11			05/05/86	SL N/A	5 0	809 65	100 0000	0 00	0 00	809 65	0 00	809 65
USED FURNITURE GROUP												
12			07/20/86	SL N/A	5 0	500 00	100 0000	0 00	0 00	500 00	0 00	500 00
COUNTERTOPS												
13			07/31/86	SL N/A	5 0	415 35	100 0000	0 00	0 00	415 35	0 00	415 35
FIRE PROOF FILE CABINET												
14			06/25/87	SL N/A	7 0	629 52	100 0000	0 00	0 00	629 52	0 00	629 52
2 FIRE PROOF FILE CABINETS												
15			04/12/88	SL N/A	7 0	1,403 11	100 0000	0 00	0 00	1,403 11	0 00	1,403 11
TV & STAND												
62			05/31/88	SL N/A	7 0	281 22	100 0000	0 00	0 00	281 22	0 00	281 22
2 FRAMED OLYMPIC POSTERS												
19			03/09/89	SL N/A	7 0	126 54	100 0000	0 00	0 00	126 54	0 00	126 54
FIRE PROOF FILE CABINET												
23			08/16/90	SL N/A	7 0	608 50	100 0000	0 00	0 00	608 50	0 00	608 50
COUNTERTOP/INSTALL												
26			03/30/93	SL N/A	5 0	600 00	100 0000	0 00	0 00	600 00	0 00	600 00
MICROFILM EQUIPMENT W/O CAMERA												
63			04/09/93	SL N/A	5 0	1,359 25	100 0000	0 00	0 00	1,359 25	0 00	1,359 25
FILE/2 DESK CHAIRS												
28			06/08/93	SL N/A	7 0	298 52	100 0000	0 00	0 00	298 52	0 00	298 52
OFFICE CHAIR												
29			07/06/93	SL N/A	7 0	74 58	100 0000	0 00	0 00	74 58	0 00	74 58
MICROWAVE												
30			07/31/93	SL N/A	5 0	127 99	100 0000	0 00	0 00	127 99	0 00	127 99
HP LASERJET PRINTER												
31	D		11/15/93	SL N/A	5 0	1,451 11	100 0000	0 00	0 00	1,451 11	0 00	1,451 11

FY 01/01/2002-12/31/2002

Depreciation Expense

11 23 07AM

Sorted (1) Debit Account Number

(2) Date Acquired (3) None

(4) None (5) None

Financial
For the Period: 1/1/2002 - 12/31/2002

System No	S	Description	Date In Service	Method/ Convention	Life	Cost	Bus / Inv %	Sec 179/ Bonus	Salvage/ Basis Adj	Beg Accum Depreciation	Current Depreciation	Ending Accum Depreciation
1400												
TOSHIBA LAPTOP		MARSHA										
35	D		12/15/93	SL N/A	5 0	1,757 52	100 0000	0 00	0 00	1,757 52	0 00	1,757 52
CANON BJC 600 PRINTER		EMILIE										
34	D		12/22/93	SL N/A	5 0	665 36	100 0000	0 00	0 00	665 36	0 00	665 36
HP FAX 900												
36	D		04/05/94	SL N/A	5 0	885 36	100 0000	0 00	0 00	885 36	0 00	885 36
COLOR MONITOR												
38	D		05/06/94	SL N/A	5 0	512 80	100 0000	0 00	0 00	512 80	0 00	512 80
PENINSULA & 60" TABLE												
39			09/13/94	SL N/A	7 0	213 38	100 0000	0 00	0 00	213 38	0 00	213 38
2 NOVA SLEEPERS												
40			10/05/94	SL N/A	7 0	488 69	100 0000	0 00	0 00	488 69	0 00	488 69
PICTURE FRAME												
44			12/11/94	SL N/A	7 0	116 84	100 0000	0 00	0 00	116 84	0 00	116 84
PRINT SHARING DEVICE												
45			02/02/95	SL N/A	5 0	854 40	100 0000	0 00	0 00	854 40	0 00	854 40
2 FILE CABINETS												
46			02/13/95	SL N/A	7 0	256 60	100 0000	0 00	0 00	253 56	3 04	256 60
2 OFFICE CHAIRS												
48			04/22/95	SL N/A	7 0	149 30	100 0000	0 00	0 00	142 20	7 10	149 30
OFFICE ENDTABLE												
49			05/22/95	SL N/A	7 0	100 00	100 0000	0 00	0 00	94 07	5 93	100 00
COMPUTER,CD,MONITOR,SURGE SUPPRESSOR												
50			06/03/96	SL N/A	5 0	3,105 34	100 0000	0 00	0 00	3,105 34	0 00	3,105 34
COMPUTER DESK												
51			07/16/96	SL N/A	7 0	208 21	100 0000	0 00	0 00	161 09	29 74	190 83
LASER JET 4 MEMORY UPGRADE												
53	D		12/06/96	SL N/A	5 0	110 75	100 0000	0 00	0 00	110 75	0 00	110 75
4 CONFERENCE TABLE CHAIRS												
54			12/31/96	SL N/A	7 0	385 70	100 0000	0 00	0 00	275 50	55 10	330 60
WATER COOLER												
55			01/04/97	SL N/A	7 0	203 18	100 0000	0 00	0 00	145 15	29 03	174 18
CANON COPIER C 120F												
56			04/08/97	SL N/A	5 0	2,569 20	100 0000	0 00	0 00	2,440 74	128 46	2 569 20
DESK & CHAIR		MARSHA										
59			10/16/99	SL N/A	10 0	673 72	100 0000	0 00	0 00	150 78	67 37	218 15
COMPUTER NETWORK												
58			12/01/99	SL N/A	5 0	4,356 22	100 0000	0 00	0 00	1,815 08	871 24	2,686 32
TOSHIBA TELEPHONE SYSTEM												
60			03/06/00	SL N/A	10 0	3,277 00	100 0000	0 00	0 00	600 78	327 70	928 48
DH1764 COMPUTER MONITOR												
61			10/16/00	SL N/A	5 0	150 00	100 0000	0 00	0 00	35 00	30 00	65 00
TOSHIBA 4 HEAD STEREO PRO DRUM VCR												
64			07/01/01	SL N/A	5 0	150 00	100 0000	0 00	0 00	15 00	30 00	45 00

FY 01/01/2002-12/31/2002

11 23 07AM

Depreciation Expense

Financial

For the Period: 1/1/2002 - 12/31/2002

Sorted (1) Debit Account Number

(2) Date Acquired (3) None

(4) None (5) None

System No	S	Description	Date In Service	Method/ Convention	Life	Cost	Bus / Inv %	Sec 179/ Bonus	Salvage/ Basis Adj.	Beg Accum Depreciation	Current Depreciation	Ending Accum Depreciation
1400												
2		DWR FILE CABINET, 23D GY	07/25/01	SL N/A	7 0	179 99	100 0000	0 00	0 00	10 71	25 71	36 42
65												
3		DRW FILE CABINET, 23D GY	07/25/01	SL N/A	7 0	179 99	100 0000	0 00	0 00	10 71	25 71	36 42
66												
HP		4000 N W/ENVELOPE FEEDER	04/01/02	SL N/A	7 0	1,131 90	100 0000	0 00	0 00	0 00	121 28	121 28
67												
BROTHER		MFC 3100C FAX	05/21/02	SL N/A	7 0	285 22	100 0000	0 00	0 00	0 00	23 77	23 77
68												
MOBILE		2DWR 23D GRAY FILE CABINET	07/22/02	SL N/A	7 0	126 02	100 0000	0 00	0 00	0 00	7 50	7 50
69												
TABLE,		PICTURE AND LAMP	08/28/02	SL N/A	7 0	100 00	100 0000	0 00	0 00	0 00	4 76	4 76
72												
2		ENVISION EN 775E 17" COLOR MONITORS	09/13/02	SL N/A	7 0	259 96	100 0000	0 00	0 00	0 00	12 38	12 38
70												
3		HP VECTRA PENTIUM II COMPUTERS	09/24/02	SL N/A	7 0	1,500 00	100 0000	0 00	0 00	0 00	53 57	53 57
73												
TABLE		TOP REFRIGERATOR	10/15/02	SL N/A	7 0	148 22	100 0000	0 00	0 00	0 00	5 29	5 29
71												
Subtotal before dispositions						38,952 17		0 00	0 00	28,712 11	1,864 68	30,576 79
Less dispositions and exchanges						5,382 90		0 00	0 00	5,382 90		5,382 90
Net for 1400						33,569 27		0 00	0 00	23,329 21	1,864 68	25,193 89
Subtotal before dispositions						38,952 17		0 00	0 00	28,712 11	1,864 68	30,576 79
Less dispositions and exchanges						5,382 90		0 00	0 00	5,382 90		5,382 90
Grand total						33,569 27		0 00	0 00	23,329 21	1,864 68	25,193 89

Form 990	Gain (Loss) From Sale of Other Assets	Statement	1
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Description	Date Acquired	Date Sold	Method Acquired		
MONITOR	05/06/94	12/31/02	PURCHASED		
Name of Buyer	Gross Sales Price	Cost or Other Basis	Expense of Sale	Deprec	Net Gain or (Loss)
UNKNOWN	25.	513.	0.	513.	25.

Description	Date Acquired	Date Sold	Method Acquired		
SCRAPPED OFFICE EQUIPMENT	Various	12/31/02	PURCHASED		
Name of Buyer	Gross Sales Price	Cost or Other Basis	Expense of Sale	Deprec	Net Gain or (Loss)
N/A	0.	4,870.	0.	4,870.	0.
To Fm 990, Part I, ln 8	25.	5,383.	0.	5,383.	25.

Form 990	Special Events and Activities	Statement	2
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Description of Event	Gross Receipts	Contribut. Included	Gross Revenue	Direct Expenses	Net Income
CHUSOK BENEFIT EVENT	17,661.	7,019.	10,642.	13,378.	-2,736.
To Fm 990, Part I, line 9	17,661.	7,019.	10,642.	13,378.	-2,736.

Form 990

Income and Cost of Goods Sold
Included on Part I, Line 10

Statement 3

Income

1. Gross receipts	688	
2. Returns and allowances		
3. Line 1 less line 2		688
4. Cost of goods sold (line 13)	880	
5. Gross profit (line 3 less line 4)		-192

Cost of Goods Sold

6. Inventory at beginning of year	300	
7. Merchandise purchased	1,000	
8. Cost of labor		
9. Materials and supplies		
10. Other costs		
11. Add lines 6 through 10		1,300
12. Inventory at end of year	420	
13. Cost of goods sold (line 11 less line 12). .		880

Form 990	Other Expenses			Statement	4
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising	
WORKERS COMPENSATION INSURANCE	392.	214.	178.		
PROFESSIONAL/GENERAL LIABILITY INSURANCE	7,493.	5,001.	2,492.		
ADVERTISING & PROMOTIONAL SPECIAL PROGRAM EXPENSES	1,811.	1,811.			
AIRPORT GREETERS SERVICE	1,856.	1,856.			
MEMBERSHIPS	950.	950.			
DONATIONS TO ESWS	793.	793.			
ADP PAYROLL SERVICES	42,541.	42,541.			
SUBCONTRACT SERVICES	804.	438.	366.		
SPECIAL ADOPTION EXPENSES	5,345.	5,345.			
CULTURAL EVENT EXPENSE	4,550.	4,550.			
ACCREDITATION EXPENSE	130.	130.			
PROFESSIONAL DEVELOPMENT	12,164.	12,164.			
PROFESSIONAL/PROCESS FEES	2,333.	2,333.			
	1,488.	1,488.			
Total to Fm 990, ln 43	82,650.	79,614.	3,036.		

Form 990	Depreciation of Assets Not Held for Investment			Statement	5
Description	Cost or Other Basis	Accumulated Depreciation	Book Value		
OFFICE FURN & EQUIPMENT	21,051.	20,949.	102.		
COMPUTER NETWORK	4,356.	2,686.	1,670.		
DESK & CHAIR	674.	217.	457.		
TOSHIBA TELEPHONE SYSTEM	3,277.	929.	2,348.		
COMPUTER MONITOR	150.	65.	85.		
2 DRAWER FILE CABINET	180.	37.	143.		
2 DRAWER FILE CABINET	180.	37.	143.		
TOSHIBA VCR	150.	45.	105.		
HP 4000 N W/ENVELOPE FEEDER	1,132.	121.	1,011.		
MOBILE 2DWR 23D GRAY FILE CABINET	126.	8.	118.		

TABLE, PICTURE AND LAMP	100.	5.	95.
2 ENVISION EN-775E 17" COLOR MONITORS	260.	12.	248.
3 HP VECTRA PENTIUM II COMPUTERS	1,500.	54.	1,446.
TABLE TOP REFRIGERATOR	148.	5.	143.
BROTHER MFC-3100C FAX	285.	24.	261.
Total to Form 990, Part IV, ln 57	33,569.	25,194.	8,375.

Form 990 Part VIII - Relationship of Activities to Statement 6
 Accomplishment of Exempt Purposes

Line	Explanation of Relationship of Activities
93a- 93d	EACH OF THESE ACTIVITIES ENABLES THE ORGANIZATION TO PROVIDE FOREIGN BORN CHILDREN WITH AN ADOPTING FAMILY THAT HAS BEEN PROPERLY INVESTIGATED AND EDUCATED ON ADOPTION PARENTING.
101	ANNUAL SPECIAL EVENTS INCLUDE CULTURAL PROGRAMS WHICH HELP TO EDUCATE THE ADOPTING FAMILIES IN THE CULTURAL HERITAGE OF THE CHILD. THE ADOPTING FAMILIES MEET AND DISCUSS THEIR EXPERIENCES.
102	SALE OF KOREAN CALENDARS TO PROMOTE AWARENESS OF ADOPTED CHILDREN'S HERITAGE.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545 1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization	Employer identification number
	DILLON SOUTHWEST INC	86-0648183
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions	
	3014 N HAYDEN ROAD, #101	
	City, town or post office, state, and ZIP code For a foreign address, see instructions	
	SCOTTSDALE, AZ 85251	

Check type of return to be filed (file a separate application for each return)

- | | | |
|----------------------------------------------|------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990 T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990 BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990 T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990 PF | <input type="checkbox"/> Form 1041 A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3 month (6 month, for 990-T corporation) extension of time until August 15, 2003 to file the exempt organization return for the organization named above The extension is for the organization's return for calendar year 2002 or tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990 BL, 990 PF, 990 T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ _____

b If this application is for Form 990 PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ _____

c Balance Due Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ _____ N/A

Signature and Verification

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

Signature ▶ *Kevin Muehler* Title ▶ CPA Date ▶ 5/14/03

LHA For Paperwork Reduction Act Notice, see instruction

Form 8868 (12-2000)