

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)

OMB No 1545-0047

2003

Open to Public Inspection

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

A For the 2003 calendar year, or tax year beginning **JUL 1, 2003** and ending **JUN 30, 2004**

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	Please use IRS label or print or type. See Specific Instructions.	C Name of organization LUTHERAN SOCIAL SERVICES OF ILLINOIS		D Employer identification number 36-2584799
		Number and street (or P.O. box if mail is not delivered to street address) 1001 EAST TOUHY		Room/suite 50
		City or town, state or country, and ZIP + 4 DES PLAINES, IL 60018		E Telephone number (847) 635-4600

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 Website: **WWW.LSSI.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 Group Exemption Number **9386**

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **78,809,195.**

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	3,683,789.		
	b Indirect public support	1b	1,274,886.		
	c Government contributions (grants)	1c	58,741,265.		
	d Total (add lines 1a through 1c) (cash \$ 62,799,940. noncash \$ 900,000.)			1d	63,699,940.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	13,769,313.
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	
	5 Dividends and interest from securities			5	348,040.
	6 a Gross rents SEE STATEMENT 1	6a	222,050.		
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	222,050.
7 Other investment income (describe)			7		
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	8a		8b	15,508.	
	8c	-15,508.			
	d Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 2			8d	-15,508.
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	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	
10 a 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 103)			11	769,852.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	78,793,687.	
Expenses	13 Program services (from line 44, column (B))			13	71,521,295.
	14 Management and general (from line 44, column (C))			14	7,776,658.
	15 Fundraising (from line 44, column (D))			15	1,516,049.
	16 Payments to affiliates (attach schedule)			16	
	17 Total expenses (add lines 16 and 44, column (A))			17	80,814,002.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	-2,020,315.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	14,369,599.
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3			20	3,281,102.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	15,630,386.

SCANNED JUN 03 2005 Revenue

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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. Page 2

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 \$ _____	22			
23 Specific assistance to individuals (attach schedule)	23	926,102.	926,102.	STATEMENT 6
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25	750,394.	0.	750,394. 0.
26 Other salaries and wages ...	26	40,433,225.	37,300,170.	2,427,655. 705,400.
27 Pension plan contributions	27	1,440,942.	1,286,044.	139,174. 15,724.
28 Other employee benefits	28	4,438,078.	4,159,378.	238,753. 39,947.
29 Payroll taxes	29	3,176,625.	2,864,700.	257,822. 54,103.
30 Professional fundraising fees	30			
31 Accounting fees	31	461,176.	117,476.	343,700.
32 Legal fees	32	165,782.	93,599.	70,421. 1,762.
33 Supplies	33	2,884,638.	2,702,088.	76,820. 105,730.
34 Telephone	34	583,047.	526,933.	45,889. 10,225.
35 Postage and shipping	35	230,445.	134,933.	82,964. 12,548.
36 Occupancy	36	5,170,266.	4,562,306.	582,287. 25,673.
37 Equipment rental and maintenance	37	713,464.	690,316.	18,570. 4,578.
38 Printing and publications	38	170,018.	46,441.	92,135. 31,442.
39 Travel	39	1,555,819.	1,463,376.	56,927. 35,516.
40 Conferences, conventions, and meetings	40	100,898.	44,229.	53,237. 3,432.
41 Interest	41	534,110.	460,118.	73,992.
42 Depreciation, depletion, etc. (attach schedule)	42	1,772,460.	1,241,782.	506,010. 24,668.
43 Other expenses not covered above (itemize):				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 4	43e	15,306,513.	12,901,304.	1,959,908. 445,301.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	80,814,002.	71,521,295.	7,776,658. 1,516,049.

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? SEE STATEMENT 5	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a NURSING CARE	
_____ _____ _____ (Grants and allocations \$ _____)	16,536,322.
b COMMUNITY SERVICES	
_____ _____ _____ (Grants and allocations \$ _____)	5,445,156.
c COMMUNITY CHILD CARE SERVICES	
_____ _____ _____ (Grants and allocations \$ _____)	31,336,090.
d BEHAVIORAL HEALTH SERVICES	
_____ _____ _____ (Grants and allocations \$ _____)	16,129,034.
e Other program services (attach schedule) STATEMENT 7	(Grants and allocations \$ _____) 2,074,693.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	71,521,295.

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		45
	46 Savings and temporary cash investments	11,073,521.	46 10,135,084.
	47 a Accounts receivable	47a 7,881,768.	
	b Less: allowance for doubtful accounts	47b 1,311,457.	47c 6,570,311.
	48 a Pledges receivable	48a 10,000.	
	b Less: allowance for doubtful accounts	48b	48c 10,000.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a 16,972,408.	
	b Less: allowance for doubtful accounts	51b	51c 16,972,408.
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	1,138,640.	53 901,222.
	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 28,481,531.		
b Less: accumulated depreciation STMT 8	57b 17,982,417.	57c 10,499,114.	
58 Other assets (describe SEE STATEMENT 9)	891,292.	58 1,623,155.	
59 Total assets (add lines 45 through 58) (must equal line 74)	47,866,361.	59 46,711,294.	
Liabilities	60 Accounts payable and accrued expenses	18,331,116.	60 16,442,549.
	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 STMT 10	15,095,000.	64b 14,570,000.
	65 Other liabilities (describe SEE STATEMENT 11)	70,646.	65 68,359.
66 Total liabilities (add lines 60 through 65)	33,496,762.	66 31,080,908.	
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	11,560,757.	67 12,821,544.
	68 Temporarily restricted	2,808,842.	68 2,808,842.
	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)	14,369,599.	73 15,630,386.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	47,866,361.	74 46,711,294.	

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

Table with 5 columns: Description, a, b, c, d, e. Rows include total revenue, adjustments for gains, losses, and expenses, and final revenue per line 12.

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

Table with 5 columns: Description, a, b, c, d, e. Rows include total expenses, adjustments for services, prior year adjustments, losses, and expenses, and final expenses per line 17.

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

Table with 5 columns: (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. Row 1 contains 'SEE STATEMENT 16'.

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 [X] No

Part VI Other Information

Form with rows 76-92 containing questions and answers such as 'Did the organization engage in any activity not previously reported to the IRS?', 'Were any changes made in the organizing or governing documents...', 'Did the organization have unrelated business gross income...', etc.

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a PROGRAM SERVICE FEES					13,769,313.
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					
96 Dividends and interest from securities			14	348,040.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	222,050.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					-15,508.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a MISCELLANEOUS			03	189,025.	
b MANAGEMENT EXPENSE					
c REIMBURSEMENT FROM					
d NOT-FOR-PROFIT RELATED					
e AGENCIES					580,827.
104 Subtotal (add columns (B), (D), and (E))		0.		759,115.	14,334,632.
105 Total (add line 104, columns (B), (D), and (E))					15,093,747.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 18

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

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

accompanying schedules and statements, and to the best of my knowledge and belief, it is true, all information of which preparer has any knowledge.

Date 4/12/05
 Type or print name and title: GERALD E. NANNAN, CFO
 Date: / / Check if self: Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2003

Name of the organization **LUTHERAN SOCIAL SERVICES OF ILLINOIS** Employer identification number **36 2584799**

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
CARL W. MOELLENKAMP ----- 1001 E. TOUHY DES PLAINES, ILLINOIS	CONTROLLER FULL TIME	119,346.		
JOHN SCHNIER ----- 1001 E. TOUHY DES PLAINES, ILLINOIS	EXEC. DIR-SVC FULL TIME	93,255.		
MARILYN L. ELLIOTT ----- 1001 E. TOUHY DES PLAINES, ILLINOIS	EXEC. DIR-SVC FULL TIME	89,940.		
ROGER BOEKENHAUER ----- 1001 E. TOUHY DES PLAINES, ILLINOIS	EXEC. DIR-SVC FULL TIME	85,837.		
MICHAEL J. OUSKA ----- 1001 E. TOUHY DES PLAINES, ILLINOIS	CHIEF INFO OF FULL TIME	86,538.		
Total number of other employees paid over \$50,000	▶ 48			

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
KEANE INC. ----- P.O. BOX 99851, CHICAGO, IL 60690	INFORMATION SYSTEMS CONSULTAN	1449864.
CLIFTON GUNDERSON LLP ----- 1301 W. 22ND ST., SUITE 1100, OAK BROOK, IL 60523	AUDIT	300,980.
HELPING HAND REHABILITATION CENTER ----- 9649 WEST 55TH STREET, COUNTRYSIDE, IL 60525	CONTRACTED REHAB THERAPY	458,733.
COMMUNITY COUNSELING CENTERS OF CHICAGO ----- 4740 N. CLARK ST., CHICAGO, IL 60640	CONTRACTED COUNSELING SERVIC	573,345.
AEGIS THERAPIES ----- P.O. BOX 8103, FORT SMITH, AR 72902	CONTRACTED SPEECH & PHYS. THERAPY	1530539.
Total number of others receiving over \$50,000 for professional services	▶ 12	

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ <u>176,907.</u> (Must equal amounts on line 38, Part VI-A, or line i 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 VI-B, LINE I	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.) SEE STATEMENT 19		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b	Do you have a section 403(b) annuity plan for your employees?		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is (Please check only **ONE** applicable box.)
- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
 - 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **▶** _____
 - 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 6 of the instructions.)

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	58,222,971.	64,959,071.	65,862,138.	66,041,424.	255,085,604.
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	13,898,184.	13,196,250.	13,544,282.	15,168,353.	55,807,069.
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	477,365.	574,244.	705,233.	841,641.	2,598,483.
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	211,588.	467,709.	SEE STATEMENT 20 656,155.	2,284,793.	3,620,245.
23 Total of lines 15 through 22	72,810,108.	79,197,274.	80,767,808.	84,336,211.	317,111,401.
24 Line 23 minus line 17	58,911,924.	66,001,024.	67,223,526.	69,167,858.	261,304,332.
25 Enter 1% of line 23	728,101.	791,973.	807,678.	843,362.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 5,226,087.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 261,304,332.
d Add: Amounts from column (e) for lines: 18 2,598,483. 19 _____ 22 3,620,245. 26b _____					26d 6,218,728.
e Public support (line 26c minus line 26d total)					26e 255,085,604.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 97.6201%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year	(2002) N/A	(2001) _____	(2000) _____	(1999) _____	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2002) N/A	(2001) _____	(2000) _____	(1999) _____	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions) 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?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions) 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 -		
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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers	X		
b Paid staff or management (Include compensation in expenses reported on lines c through h.)	X		
c Media advertisements		X	
d Mailings to members, legislators, or the public	X		55,283.
e Publications, or published or broadcast statements ..		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		110,567.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		11,057.
i Total lobbying expenditures (Add lines c through h.) ..			176,907.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities. **SEE STATEMENT 21**

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		Yes	No
(i) Cash			X
(ii) Other assets			X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization			X
(ii) Purchases of assets from a noncharitable exempt organization			X
(iii) Rental of facilities, equipment, or other assets			X
(iv) Reimbursement arrangements			X
(v) Loans or loan guarantees			X
(vi) Performance of services or membership or fundraising solicitations			X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees			X

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

2003 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
4	BUILDINGS & IMPROVEMENTS	VARIESL		.000	16	17888722.			17888722.	105333999.		624,280.
7	FURNITURE & EQUIPMENT	VARIESL		.000	16	4782794.			4782794.	2615950.		386,241.
10	TRANSPORTATION EQUIPMENT	VARIESL		.000	16	1343563.			1343563.	1012612.		115,075.
12	IS HARDWARE	VARIESL		.000	16	3020019.			3020019.	1568183.		495,216.
14	IS SOFTWARE	VARIESL		.000	16	1171298.			1171298.	479,213.		151,648.
15	WORK--IN--PROCESS	VARIES		.000	16	143,969.			143,969.			0.
17	LAND	VARIESL				131,166.			131,166.			0.
18	(D)ASSETS DISPOSED OF DURING YEAR	VARIESL		.000	16	91,466.			91,466.	75,958.		0.
	* TOTAL 990 PAGE 2 DEPR					28572997.		0.	0.28572997.	16285915.	0.	1772460.

FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
LOW INCOME HOUSING	1	222,050.
TOTAL TO FORM 990, PART I, LINE 6A		222,050.

FORM 990	GAIN (LOSS) FROM SALE OF OTHER ASSETS	STATEMENT	2
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DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
DISPOSAL OF FIXED ASSETS	VARIOUS	VARIOUS	PURCHASED					
NAME OF BUYER				0.	91,466.	0.	75,958.	-15,508.
TO FM 990, PART I, LN 8				91,466.	91,466.	0.	75,958.	-15,508.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
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DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	223,385.
PRIOR PERIOD ADJUSTMENT	
EQUITY IN EXCESS REVENUES OVER EXPENSES OR (EXPENSES OVER REVENUES) OF SUBSIDIARIES:	
FORSBERG CHRISTIAN RETIREMENT CENTER, INC.	-6,581.
PETERSON MEADOWS, INC.	18,823.
SALEM VILLAGE III, INC.	-149,760.
BATAVIA COUNCIL ON AGING, INC.	-1,616.
DEKALB HOUSING FOR THE HANDICAPPED, INC.	-4,792.
NORTHWEST CHICAGO GROUP HOMES, INC.	-2,577.
VESPER MANAGEMENT CORPORATION	90,820.
FREEPORT SENIOR HOUSING, INC.	44,574.
OUR SAVIOR'S SENIOR HOUSING, INC.	54,573.
TABOR SENIOR HOUSING, INC.	135,188.
ROCHELLE SENIOR HOUSING, INC.	34,551.
FREEPORT SENIOR HOUSING, INC. II	51,217.
AURORA SENIOR HOUSING, INC.	245,352.
ASSISI HOMES - DOWNER PLACE, INC.	88,565.
MATINS, INC.	6,961.
REDUCTION IN UNRECOGNIZED PENSION COSTS	2,452,419.
CUMULATIVE EFFECT OF ACCOUNTING CHANGE IN RECORDING OF PENSION PLAN	
TOTAL TO FORM 990, PART I, LINE 20	3,281,102.

FORM 990	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
OTHER PROFESSIONAL FEES	13,760,946.	11,898,696.	1,642,107.	220,143.
OTHER OPERATING DUES AWARDS & GRANTS	319,011.	172,822.	74,348.	71,841.
REPAIRS & MAINTENANCE	69,331.	51,335.	14,704.	3,292.
ADVERTISING & PROMOTION	498,177.	360,773.	125,380.	12,024.
I.S. COMMUNICATIONS	323,040.	128,669.	64,441.	129,930.
	336,008.	289,009.	38,928.	8,071.
TOTAL TO FM 990, LN 43	15,306,513.	12,901,304.	1,959,908.	445,301.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
PART III

EXPLANATION

THE AGENCY THROUGH SERVICE AND ADVOCACY SEEKS TO BRING HEALING, JUSTICE AND WHOLENESS TO PERSONS AND TO ENHANCE THE QUALITY OF PEOPLE'S LIVES.

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT 6
DESCRIPTION		AMOUNT
FINANCIAL ASSISTANCE - LOANS AND GRANTS		29,995.
ACTIVITY FEES RECREATION		71,294.
IN HOME RESPITE		6,132.
CLIENT OCCUPANCY EXPENSE		54,668.
EDUCATIONAL ASSISTANCE		31,814.
FOOD, SHELTER AND CLOTHING FOR INDIGENTS, ETC.		675,354.
MEDICAL, DENTAL AND HOSPITAL EXPENSES PROVIDED		56,845.
TOTAL TO FORM 990, PART II, LINE 23		926,102.

FORM 990	OTHER PROGRAM SERVICES	STATEMENT	7
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DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
PRISONER AND FAMILY MINISTRY HOUSING MATINS, INC. OTHER PROGRAMS		535,244. 1,689,735. 17,005. -167,291.
TOTAL TO FORM 990, PART III, LINE E		2,074,693.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	8
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDINGS & IMPROVEMENTS FURNITURE & EQUIPMENT TRANSPORTATION EQUIPMENT IS HARDWARE IS SOFTWARE WORK-IN-PROCESS LAND	17,888,722. 4,782,794. 1,343,563. 3,020,019. 1,171,298. 143,969. 131,166.	11,158,279. 3,002,191. 1,127,687. 2,063,399. 630,861. 0. 0.	6,730,443. 1,780,603. 215,876. 956,620. 540,437. 143,969. 131,166.
TOTAL TO FORM 990, PART IV, LN 57	28,481,531.	17,982,417.	10,499,114.

FORM 990	OTHER ASSETS	STATEMENT	9
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DESCRIPTION	AMOUNT
SECURITY DEPOSITS ESCROW DEPOSITS DUE FROM THE COUNERSTONE FOUNDATION INTANGIBLES OTHER DEPOSITS	81,242. 68,730. 952,817. 519,366. 1,000.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	1,623,155.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 10

LENDER'S NAME TERMS OF REPAYMENT

ILLINOIS HEALTH FACILITIES AUTH. SERIES 1993, SERIAL

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
/ /93	/ /20	0.	6.13%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
MORTGAGE ON R/E & GOV. CONTRACTS	TAX EXEMPT BOND ISSUE

RELATIONSHIP OF LENDER

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	14,570,000.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		14,570,000.

FORM 990 OTHER LIABILITIES STATEMENT 11

DESCRIPTION	AMOUNT
SECURITY DEPOSITS	37,279.
RESIDENT'S SPECIAL DEPOSITS	31,080.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	68,359.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 12
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DESCRIPTION	AMOUNT
REVENUE AND NET UNREALIZED GAINS REPORTED ON SUBS' 990	16,973,106.
TOTAL TO FORM 990, PART IV-A	16,973,106.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 13
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DESCRIPTION	AMOUNT
EXPENSES FROM SUBSIDIARIES REPORTED ON SUBSIDIARIES 990	9,667,388.
TOTAL TO FORM 990, PART IV-B	9,667,388.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT 14
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DESCRIPTION	AMOUNT
MANAGEMENT FEE EXPENSE REIMBURSEMENT FROM RELATED AGENCIES	580,827.
GRANTS AND TRANSFERS RECEIVED FROM THE CORNERSTONE FOUNDATION	3,425,304.
TOTAL TO FORM 990, PART IV-A	4,006,131.

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 15
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DESCRIPTION	AMOUNT
RENT PAID TO VESPER MANAGEMENT	1,436,695.
TOTAL TO FORM 990, PART IV-B	1,436,695.

FORM 990

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

STATEMENT 16

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE	
			BEN PLAN CONTRIB	EXPENSE ACCOUNT
THE REV. PAUL J. OLSON 2477 W. WASHINGTON ST. SPRINGFIELD, IL 62702	VICE CHAIRPERSON VARIOUS	0.	0.	0.
VICTORIA ARTHOFER 587 CLARISSA COURT NAPERVILLE, IL 60540-8101	DIRECTOR VARIOUS	0.	0.	0.
DR. LYNN C. SMITH 1402 W. FREEMAN CARBONDALE, IL 62901	DIRECTOR VARIOUS	0.	0.	0.
LEONA PETERSON-SPEAR 110 27TH AVENUE MOLINE, IL 61265	DIRECTOR VARIOUS	0.	0.	0.
REV. WARREN D. FREIHEIT 524 SOUTH FIFTH STREET SPRINGFIELD, IL 62701-1822	EX OFFICIO VARIOUS	0.	0.	0.
THE REV. GARY M. WOLLERSHEIM 103 WEST STATE STREET ROCKFORD, IL 61101	EX OFFICIO VARIOUS	0.	0.	0.
REV. DR. DENVER W. BITNER 925 5TH AVENUE ROCKFORD, IL 61104-3099	DIRECTOR VARIOUS	0.	0.	0.
MR. JAMES J. MITCHELL 20556 ABBEY DRIVE FRANKFORT, IL 60423	DIRECTOR VARIOUS	0.	0.	0.
THE REV. DONALD B. MYROM 930 W. HIGGINS ROAD SCHAUMBURG, IL 60195	DIRECTOR VARIOUS	0.	0.	0.
MR. DAVID R. RYDELL 2390 BLACKHAWK ROAD ROCKFORD, IL 61125-1007	DIRECTOR VARIOUS	0.	0.	0.
THE REV. STEPHEN D. BARNES 1700 W. WAR MEMORIAL DRIVE PEORIA, IL 61614	DIRECTOR VARIOUS	0.	0.	0.

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THE REV. R. JOE MAREK 3300 RURAL STREET ROCKFORD, IL 61107-3600	DIRECTOR VARIOUS	0.	0.	0.
THE REV. PAUL R. LANDAHL 1420 W. DICKENS AVE. CHICAGO, IL 60614	EX OFFICIO VARIOUS	0.	0.	0.
ROGER L. YARBROUGH 1105 DEVONSHIRE DRIVE CHAMPAIGN, IL 61821	DIRECTOR VARIOUS	0.	0.	0.
PASTOR FREDERICK AIGNER 1001 EAST TOUHY DES PLAINES, IL 60016	PRESIDENT 37.5	179,670.	0.	0.
LARRY LUTEY 1001 EAST TOUHY DES PLAINES, IL 60016	VICE PRESIDENT 37.5	136,077.	0.	0.
MARK GERMANO 1001 EAST TOUHY DES PLAINES, IL 60016	VICE PRESIDENT 37.5	129,762.	0.	0.
SUSAN GREGORY 1001 EAST TOUHY DES PLAINES, IL 60016	VICE PRESIDENT 37.5	154,846.	0.	0.
MR. DAVID M. A. JENSEN 160 ARDMORE ROAD DES PLAINES, IL 60016	CHAIRPERSON VARIOUS	0.	0.	0.
DANIEL M. FALOTICO 504 E. BURNING TREE LANE ARLINGTON HEIGHTS, IL 60004	DIRECTOR VARIOUS	0.	0.	0.
MARY TAYLOR 88 OTIS ROAD BARRINGTON, IL 60010	SECRETARY VARIOUS	0.	0.	0.
CHRISTINE . TOMPSETT 5466 S. BLACKSTONE AVE CHICAGO, IL 60615	DIRECTOR VARIOUS	0.	0.	0.
GERALD E. NOONAN 1001 EAST TOUHY DES PLAINES, IL 60016	VICE PRESIDENT 37.5	150,039.	0.	0.
JOHN M. KISS 233 S. WACKER DR., 17TH FLOOR CHICAGO, IL 60606	TREASURER VARIOUS	0.	0.	0.

LUTHERAN SOCIAL SERVICES OF ILLINOIS

36-2584799

MANUEL FLORES 2137 N. MILWAUKEE AVE. CHICAGO, IL 60647	DIRECTOR VARIOUS	0.	0.	0.
LINDA K. MILLER 915 LUNDVALL ROCKFORD, IL 61107	DIRECTOR VARIOUS	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>750,394.</u>	<u>0.</u>	<u>0.</u>

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 17
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
SALEM VILLAGE III, INC.	X	
FORSBERG CHRISTIAN RETIREMENT CENTER, INC.	X	
PETERSON MEADOWS, INC.	X	
VESPER MANAGEMENT CORPORATION	X	
OUR SAVIOR'S SENIOR HOUSING, INC.	X	
DEKALB HOUSING FOR THE HANDICAPPED, INC.	X	
BATAVIA COUNCIL ON AGING, INC.	X	
FREEPORT SENIOR HOUSING, INC.	X	
NORTHWEST CHICAGO GROUP HOMES, INC.	X	
TABOR SENIOR HOUSING, INC.	X	
ROCHELLE SENIOR HOUSING, INC.	X	
LUTHER CENTER, INC.		X
CORNERSTONE FOUNDATION	X	
ASSISI HOMES - DOWNER PLACE, INC	X	
AURORA SENIOR HOUSING, INC	X	
MATINS, INC	X	
FREEPORT SENIOR HOUSING II, INC.	X	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 18
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE AGENCY THROUGH SERVICE AND ADVOCACY SEEKS TO BRING HEALING, JUSTICE AND WHOLENESS TO PERSONS AND TO ENCHANCE THE QUALITY OF PEOPLE'S LIVES. THE FEES ARE COLLECTED TO HELP PROVIDE A WIDE RANGE OF SOCIAL SERVICES
103B	REIMBURSEMENT TO LUTHERAN SOCIAL SERVICES OF ILLINOIS FOR MANAGEMENT SERVICES PROVIDED TO AFFILIATED NON-PROFIT ORGANIZATIONS

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC, .
PART III, LINE 2 STATEMENT 19

SEE PART V FOR COMPENSATION AMOUNTS PAID TO OFFICERS.

DESCRIPTION	OTHER INCOME			
	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
MISCELLANEOUS MANAGEMENT EXPENSE REIMBURSEMENT FROM RELATED AGENCIES	211,588.	467,709.	172,126.	2,284,793.
	0.	0.	484,029.	0.
TOTAL TO SCHEDULE A, LINE 22	211,588.	467,709.	656,155.	2,284,793.

LUTHERAN SOCIAL SERVICES OF ILLINOIS (LSSI) ENGAGES IN GRASSROOTS EDUCATION AND LOBBYING ON BEHALF OF PEOPLE IN NEED IN ILLINOIS, PUBLIC-PRIVATE HUMAN SERVICE PROGRAMS THAT ASSIST PEOPLE IN NEED AND OTHER JUSTICE ISSUES SUCH AS ENVIRONMENTAL CONCERNS, CIVIL RIGHTS AND CRIMINAL JUSTICE. THE ADVOCACY AGENDA OF LSSI IS CONSISTENT WITH THE PUBLIC POLICY POSITIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA (ELCA).

Depreciation and Amortization 990
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return LUTHERAN SOCIAL SERVICES OF ILLINOIS	Business or activity to which this form relates FORM 990 PAGE 2	Identifying number 36-2584799
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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	100,000.
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	400,000.
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 the 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 2002 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 2004. 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	1,772,460.

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 2003	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 2003 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 2003 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	1,772,460.
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 2003 tax year:					
43 Amortization of costs that began before your 2003 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Application for Extension of Time To File an Exempt Organization Return

▶ 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 LUTHERAN SOCIAL SERVICES OF ILLINOIS	Employer identification number 36-2584799
	Number, street, and room or suite no. If a P.O. box, see instructions. 1001 EAST TOUHY, NO. 50	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. DES PLAINES, IL 60018	

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 **FEBRUARY 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year _____ or

▶ tax year beginning **JUL 1, 2003**, and ending **JUN 30, 2004**.

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

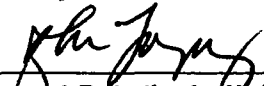
3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

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 ▶  Title ▶ CPA Date ▶ 11/12/04

LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Form section with fields: Type or print, Name of Employer, Employer identification number, Number, street, and room or suite no., City, town or post office, state, and ZIP code.

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

- Form 990, Form 990-EZ, Form 990-T (sec. 401(a) or 408(a) trust), Form 1041-A, Form 5227, Form 8870, Form 990-BL, Form 990-PF, Form 990-T (trust other than above), Form 4720, Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- 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)

4 I request an additional 3-month extension of time until MAY 16, 2005
5 For calendar year, or other tax year beginning JUL 1, 2003 and ending JUN 30, 2004
6 If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO OBTAIN CERTAIN INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE FORM 990 TAX RETURN.

8a 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
8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868
8c Balance Due. Subtract line 8b from line 8a. 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

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: [Signature] Title: CPA Date: 2/7/05

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
Other

EXTENSION APPROVED
FEB 18 2005
FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN

Director By: [Signature] Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Form section with fields: Name, Number and street, City or town, province or state, and country