

Return of Organization Exempt From Income Tax

2001

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

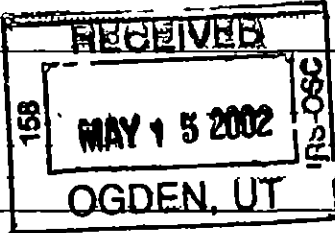
The organization may have to use a copy of this return to satisfy state reporting requirements

Header section A-M containing organization details: Name (PHOCIS, INC.), Address (20950 S.W. ROCK CREEK ROAD, SHERIDAN, OR 97378), EIN (93-0908525), and Telephone (503) 843-1356.

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

Main table with 21 rows detailing revenue (Total: 6,803,353) and expenses (Total: 2,260,052), resulting in net assets of 7,513,938 at year end.

SCANNER JUN 17 2002 Revenue



6144

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

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include: 22 Grants and allocations (770,802), 25 Compensation of officers (126,715), 31 Accounting fees (19,943), 41 Interest (504,333), 44 Total functional expenses (2,260,052).

Joint Costs Check [ ] if you are following SOP 98-2
Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? [ ] Yes [X] No
If "Yes," enter (i) the aggregate amount of these joint costs \$ , (ii) the amount allocated to Program services \$ , (iii) the amount allocated to Management and general \$ , and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments

Table with 2 columns: Description, Program Service Expenses. Row a: SEE STATEMENT 6 (Grants and allocations \$ 770,802.) 2,069,677. Row f: Total of Program Service Expenses (should equal line 44, column (B), Program services) 2,069,677.

**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
<b>Assets</b>	45 Cash - non-interest-bearing	33,506.	261,640.
	46 Savings and temporary cash investments	1,628,563.	545,020.
	47 a Accounts receivable	6,973.	
	b Less allowance for doubtful accounts		6,973.
	48 a Pledges receivable	255,000.	
	b Less allowance for doubtful accounts		255,000.
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges		
	54 Investments - securities <b>STMT 8</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	24,318.	1,491,514.
	55 a Investments - land, buildings, and equipment: basis		
	b Less accumulated depreciation		
56 Investments - other			
57 a Land, buildings, and equipment: basis	8,606,906.		
b Less accumulated depreciation	2,019,065.		
58 Other assets (describe <b>SEE STATEMENT 9</b> )	5,347,013.	4,218.	
<b>59 Total assets (add lines 45 through 58) (must equal line 74)</b>	<b>14,386,499.</b>	<b>9,152,206.</b>	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	137,915.	171,289.
	61 Grants payable		
	62 Deferred revenue	20,860.	19,195.
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities	5,240,000.	
	b Mortgages and other notes payable <b>STMT 10</b>	1,374,608.	1,447,784.
65 Other liabilities (describe <b>SEE STATEMENT 9</b> )			
<b>66 Total liabilities (add lines 60 through 65)</b>	<b>6,773,383.</b>	<b>1,638,268.</b>	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>		
	67 Unrestricted	6,193,298.	5,736,035.
	68 Temporarily restricted	1,419,818.	400,252.
	69 Permanently restricted		1,377,651.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
<b>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)</b>	<b>7,613,116.</b>	<b>7,513,938.</b>	
<b>74 Total liabilities and net assets / fund balances (add lines 66 and 73)</b>	<b>14,386,499.</b>	<b>9,152,206.</b>	

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



Part VI Other Information

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 90b regarding organizational activities, expenditures, and employee counts.

91 The books are in care of CHRISTINE PERPELITT Telephone no 503-843-1356
Located at 20950 S.W. ROCK CREEK ROAD, SHERIDAN, OREGON ZIP + 4 97378

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32)

	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	
<b>Note</b> Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a RENT INCOME			16	944,283.	
b RENT INCOME-SACRAMENTO			16	16,670.	
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	234,743.	
96 Dividends and interest from securities			14	40,719.	
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			18	161,001.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a MISCELLANEOUS INCOME			01	26.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		1,397,442.	0.
105 Total (add line 104, columns (B), (D), and (E))					1,397,442.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32)

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)
▼	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on page 33)

- (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)

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, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *Christine Perpetiti* Date: 5/10/02 Type or print name and title: Christine Perpetiti, Sec/Treas

Preparer's signature: *[Signature]* Date: 5/9/02 Check if self-employed:  Preparer's SSN or PTIN: P00160070

Firm's name (or yours if self-employed), address, and ZIP + 4: PERKINS & COMPANY, P.C. 1211 SW FIFTH AVE., SUITE 1200 PORTLAND, OR 97204-3712

EIN: Phone no: (503) 221-0336

**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

**2001**

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

**PHOCIS, INC.**

Employer identification number

**93 0908525**

**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
ROBERT G. BURT, P.C. 1511 S.W. FIFTH AVE., #600, PORTLAND, OR 97201	LEGAL SERVICES	161,409.
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 ) <b>SEE STATEMENT 12</b>		
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 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
<i>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</i>		

**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
<b>DELPHI SCHOOLS, INC. E.I.N. 93-0630376</b>	6
<b>DELPHI ACADEMY OF BOSTON, INC. E.I.N. 04-2699036</b>	6

- 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

N/A

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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
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					
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					
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	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.		26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)		26c	N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____		26d	N/A
e Public support (line 26c minus line 26d total)		26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	N/A %

27 Organizations described on line 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2000) (1999) (1998) (1997)

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:

(2000) (1999) (1998) (1997)

c Add: Amounts from column (e) for lines 15 \_\_\_\_\_ 16 \_\_\_\_\_  
17 \_\_\_\_\_ 20 \_\_\_\_\_ 21 \_\_\_\_\_

d Add: Line 27a total \_\_\_\_\_ and line 27b total \_\_\_\_\_

e Public support (line 27c total minus line 27d total)

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 1997 through 2000, 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.)		
<hr/>			
<hr/>			
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	
<hr/>			
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	
<hr/>			
<hr/>			
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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred )		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
		<b>N/A</b>													
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" style="width: 100%;"> <tr> <td style="width: 50%;"><b>If the amount on line 40 is -</b></td> <td style="width: 50%;"><b>The lobbying nontaxable amount is -</b></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>	<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>	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	
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>														
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) 2001	(b) 2000	(c) 1999	(d) 1998	(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)

**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 c through h )
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h )

Yes	No	Amount
		0.

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



**Schedule B**  
(Form 990, 990-EZ, or  
990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

**2001**

Name of organization

**PHOCIS, INC.**

Employer identification number

**93-0908525**

Organization type (check one)

- | Filers of          | Section  |
|--------------------|--|
| Form 990 or 990-EZ | <input checked="" type="checkbox"/> 501(c)( 3 ) (enter number) organization                        |
|                    | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation |
|                    | <input type="checkbox"/> 527 political organization  |
| Form 990-PF        | <input type="checkbox"/> 501(c)(3) exempt private foundation                                       |
|                    | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation     |
|                    | <input type="checkbox"/> 501(c)(3) taxable private foundation                                      |

Check if your organization is covered by the **General rule** or a **Special rule** (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions )

**General Rule-**

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

**Special Rules-**

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ▶ \$ \_\_\_\_\_

**Caution** Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

**PHOCIS, INC.**

**93-0908525**

**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>15,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>3</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>4</u>		\$ <u>7,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>5</u>		\$ <u>125,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>6</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

PHOCIS, INC.

93-0908525

**Part I Contributors** (See Specific Instructions)

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 26,050.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ 14,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
10		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
11		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
12		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

PHOCIS, INC.

93-0908525

**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>13</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>14</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>15</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>16</u>		\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>17</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>18</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Name of organization

Employer identification number

PHOCIS, INC.

93-0908525

**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
20		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
21		\$ 7,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
22		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

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FORM 990                      GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES                      STATEMENT      1

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DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
PUBLICLY TRADED SECURITIES - UNRESTRICTED	1,956,799.	1,957,049.	0.	<250.>
PUBLICLY TRADED SECURITIES - RESTRICTED	1,815,649.	1,858,514.	0.	<42,865.>
TO FORM 990, PART I, LINE 8	<u>3,772,448.</u>	<u>3,815,563.</u>	<u>0.</u>	<u>&lt;43,115.&gt;</u>

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
FIXED ASSETS	VARIOUS	11/13/01	PURCHASED		
	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
BETHAL ROMANIAN BAPTIST CHURCH, INC.	943,000.	744,518.	43,310.	48,944.	204,116.
TO FM 990, PART I, LN 8	943,000.	744,518.	43,310.	48,944.	204,116.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 3

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS CARRIED AT MARKET VALUE	<4,678.>
UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS	<104,576.>
UNREALIZED GAIN ON INVESTMENTS CARRIED AT MARKET VALUE	21,222.
TOTAL TO FORM 990, PART I, LINE 20	<88,032.>

FORM 990 OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
BANK CHARGES	29,110.	27,411.	1,699.	
BUILDING MAINTENANCE	146.	146.		
ANNUAL REPORT FEE	649.		649.	
DONATIONS	1,653.	1,653.		
AMORTIZATION	29,805.	29,805.		
SITE SEARCH	10,563.	10,563.		
PROPERTY TAXES	7,454.	7,454.		
INVESTMENT MANAGMENT FEE	11,808.		11,808.	
SHERIDAN FOURTH FLOOR RENOVATIONS PROJECT	6,271.			6,271.
SHERIDAN OTHER FUNDRAISING EXPENSES	2,339.			2,339.

LOS ANGELES BUILDING FUND	47,514.			47,514.
SHERIDAN EXPANSION FUND DRIVE	3,722.			3,722.
BOND ISSUE COSTS ON EARLY DEBT EXTINGUISHMENT	284,707.	284,707.		
<b>TOTAL TO FM 990, LN 43</b>	<b>435,741.</b>	<b>361,739.</b>	<b>14,156.</b>	<b>59,846.</b>

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

EXPLANATION

OPERATES EXCLUSIVELY AS A SUPPORTING ORGANIZATION FOR THE BENEFIT OF, TO ASSIST IN PERFORMING THE EXEMPT FUNCTIONS OF, AND TO ASSIST IN CARRYING OUT THE EXEMPT PURPOSES OF ITS SUPPORTED ORGANIZATIONS (I.E. DELPHI SCHOOLS, INC. AN OREGON NONPROFIT CORPORATION AND DELPHI ACADEMY OF BOSTON, INC., A MASSACHUSETTS NONPROFIT CORPORATION, EACH OF WHICH IS ORGANIZED EXCLUSIVELY FOR EDUCATIONAL AND CHARITABLE PURPOSES, AND EACH OF WHICH IS EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.)

DESCRIPTION OF PROGRAM SERVICE ONE

PHOCIS, INC., AN OREGON NONPROFIT CORPORATION, OPERATES AS A SUPPORTING ORGANIZATION FOR THE BENEFIT OF, TO PERFORM THE FUNCTIONS OF, OR TO CARRY OUT THE PURPOSES OF ITS SUPPORTED ORGANIZATIONS (I.E., DELPHI SCHOOLS, INC., AN OREGON NONPROFIT CORPORATION, AND DELPHI ACADEMY OF BOSTON, INC., A MASSACHUSETTS NONPROFIT CORPORATION)--EACH OF WHICH IS ORGANIZED EXCLUSIVELY FOR EDUCATIONAL AND CHARITABLE PURPOSES, AND EACH OF WHICH IS EXEMPT FROM INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

DELPHI SCHOOLS, INC., DEVELOPS THE DELPHI PROGRAM (A COMPREHENSIVE, CURRICULUM-BASED SYSTEM FOR THE ADMINISTRATION AND INSTRUCTIONAL COMPONENTS INHERENT IN OPERATING CERTAIN LICENSED "DELPHI ACADEMY" PRIVATE SCHOOLS) TO SIX PRIVATE SCHOOLS OPERATED BY SECTION 501(C)(3) ORGANIZATIONS, AND ALSO OWNS/OPERATES THREE OF THE DELPHI PROGRAM SCHOOLS--A BOARDING SCHOOL IN SHERIDAN, OREGON (THE DELPHIAN SCHOOL), A DAY SCHOOL IN LOS ANGELES, CALIFORNIA (THE DELPHI ACADEMY OF LOS ANGELES), AND A DAY SCHOOL IN SANTA CLARA, CALIFORNIA (THE DELPHI ACADEMY OF SAN FRANCISCO BAY).

DELPHI ACADEMY OF BOSTON, INC., OWNS/OPERATES A DELPHI PROGRAM DAY SCHOOL IN MILTON, MASSACHUSETTS (THE DELPHI ACADEMY OF BOSTON).

IN FULFILLING ITS EXEMPT PURPOSE DURING 2001, PHOCIS, INC., PROVIDED ITS SUPPORTED ORGANIZATIONS AND OTHER SIMILARLY-SITUATED SECTION 501(C)(3) ORGANIZATIONS OPERATING DELPHI PROGRAM SCHOOLS WITH: (1) CASH GRANTS; (2) USE OF THE "DELPHI ACADEMY" INTELLECTUAL PROPERTIES (INCLUDING THE PROVISION OF RELATED ADMINISTRATIVE SERVICES AND FUNDING FOR THIRD-PARTY RELATED LEGAL SERVICES); AND (3) SCHOOL FACILITIES AT LESS-THAN-MARKET LEASE RATES.

TO FULFILL ITS EXEMPT PURPOSE IN THE FUTURE, PHOCIS WILL CONCENTRATE ON FUND-RAISING ACTIVITIES IN ORDER TO CONTINUE FUNDING CASH GRANTS, DEVELOPING ITS "DELPHI ACADEMY" INTELLECTUAL PROPERTIES, AND EXPANDING EXISTING (OR CONSTRUCTING ADDITIONAL) SCHOOL FACILITIES FOR LESS-THAN-MARKET LEASING TO DELPHI PROGRAM SCHOOLS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	770,802.	2,069,677.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
PROGRAM SERVICES	DELPHI ACADEMY OF BOSTON, INC.	MILTON, MASSACHUSETTS	N/A	137,186.
PROGRAM SERVICES	DELPHI SCHOOLS, INC.	20950 SW ROCK CREEK ROAD, SHERIDAN, OREGON	N/A	534,546.
PROGRAM SERVICES	DELPHI SCHOOL OF SACRAMENTO, INC.	SACRAMENTO, CALIFORNIA	N/A	99,070.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				770,802.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 8

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY SECURITIES	523,131.				523,131.
MUTUAL FUNDS				438,823.	438,823.
GOVERNMENT SECURITIES				432,070.	432,070.
CORPORATE DEBT SECURITIES		97,490.			97,490.
TO 990, LN 54 COL B	523,131.	97,490.		870,893.	1,491,514.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	AMOUNT
LOAN COSTS	16,685.
LESS: ACCUMULATED AMORTIZATION	<12,467.>
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	4,218.

FORM 990	MORTGAGES PAYABLE	STATEMENT 10
DESCRIPTION		BALANCE DUE
SOVEREIGN BANK		476,509.
SOVEREIGN BANK		192,061.
KEY BANK		74,212.
KEY BANK		705,002.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B		1,447,784.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 11
DESCRIPTION		AMOUNT
UNREALIZED LOSS ON INVESTMENTS CARRIED AT MARKET VALUE - UNRESTRICTED		<4,678.>
UNREALIZED LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS - UNRESTRICTED		<104,576.>
TOTAL TO FORM 990, PART IV-A		<109,254.>

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC., PART III, LINE 2 STATEMENT 12

LINE 2C - ALL EMPLOYEES ARE REQUIRED TO ACCEPT ROOM AND BOARD ON THE PREMISES OR AS A CONDITION OF THEIR EMPLOYMENT, RESPECTIVELY. THE REGULATIONS STATE THAT THE VALUE OF SUCH ITEMS ARE TO BE REPORTED ON FORM 990 TO THE EXTENT THAT SUCH AMOUNTS ARE INCLUDIBLE IN THE GROSS INCOME OF THE EMPLOYEE. SECTION 119 OF THE INTERNAL REVENUE CODE OF 1986 EXCLUDES SUCH AMOUNTS FROM THE GROSS INCOME OF EMPLOYEES. THEREFORE, THE VALUE OF THIS ROOM AND BOARD HAS NOT BEEN DEVELOPED OR REPORTED IN COLUMN E OF PART V, FORM 990.

LINE 2D- SEE PART V, FORM 990.

LINE 4 - DISBURSEMENTS MADE IN FURTHERANCE OF THE ORGANIZATION'S CHARITABLE PROGRAMS ARE MADE ONLY TO NONPROFIT EDUCATIONAL ORGANIZATIONS QUALIFIED AS TAX-EXEMPT UNDER SECTIONS 170(B)(1)(A)(II) AND 509(A)(1) OF THE INTERNAL REVENUE CODE, AND SECTION 1.501(C)(3)-1(D)(1)(II) OF THE TREASURY REGULATIONS ON INCOME TAX.

PHOCIS, INC  
93-0908525  
DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT  
YEAR-END 12/31/01

DESCRIPTION	CURRENT YEAR DEPRECIATION
LAND - BOSTON	-
LAND - SHERIDAN	-
LAND - SACRAMENTO	-
LAND - LOS ANGELES	-
OFFICE EQUIPMENT	29,149
BUILDINGS - BOSTON	21,160
BUILDINGS - SHERIDAN	129,704
BUILDINGS - SACRAMENTO	9,720
CONSTRUCTION IN PROGRESS - LOS ANGELES	-
<b>TOTAL TO FORM 990, PART II, LINE 42</b>	<b>189,733</b>

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND - BOSTON	269,800	-	269,800
LAND - SHERIDAN	1,441,216	-	1,441,216
LAND - LOS ANGELES	929,145	-	929,145
OFFICE EQUIPMENT	167,929	111,117	56,812
BUILDINGS - BOSTON	702,353	207,248	495,105
BUILDINGS - SHERIDAN	4,574,869	1,700,700	2,874,169
CONSTRUCTION IN PROGRESS - LOS ANGELES	521,594	-	521,594
<b>TOTAL TO FORM 990, PART IV, LINE 57</b>	<b>8,606,906</b>	<b>2,019,065</b>	<b>6,587,841</b>