Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning OCT 1, 2011 , and ending SEP 30, 2012

Name of foundation
VERSACARE, INC.

A Employer identification number
33-0052434

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
4097 TRAIL CREEK ROAD, STE. B

B Telephone number
951-343-5800

City or town, state, and ZIP code
RIVERSIDE, CA 92505

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 28,396,161.

J Accounting method: ☐ Cash [X] Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received			N/A	
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	150,979.	150,979.		STATEMENT 1
	4	Dividends and interest from securities	255,705.	255,705.		STATEMENT 2
	5a	Gross rents	1,304,907.	1,304,907.		STATEMENT 3
	b	Net rental income or (loss) 1,304,907.				
	6a	Net gain or (loss) from sale of assets not on line 10	267,192.			
	b	Gross sales price for all assets on line 6a 4,325,856.				
	7	Capital gain net income (from Part IV, line 2)		267,192.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income	193,440.	104,183.		STATEMENT 4
	12	**Total** Add lines 1 through 11	2,172,223.	2,082,966.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	27,500.	9,075.		18,425.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees STMT 5	12,435.	4,103.		8,332.
	b	Accounting fees STMT 6	25,446.	8,397.		17,049.
	c	Other professional fees STMT 7	80,807.	26,666.		54,141.
	17	Interest	10.	10.		0.
	18	Taxes STMT 8	17,513.	278.		564.
	19	Depreciation and depletion	4,702.	0.		
	20	Occupancy	18,425.	6,080.		12,345.
	21	Travel, conferences, and meetings	29,007.	9,572.		19,435.
	22	Printing and publications				
	23	Other expenses STMT 9	129,107.	42,193.		86,914.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	344,952.	106,374.		217,205.
	25	Contributions, gifts, grants paid	1,337,583.			1,337,583.
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,682,535.	106,374.		1,554,788.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	489,688.			
	b	**Net investment income** (if negative, enter -0-)		1,976,592.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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123501 12-02-11 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2011)

12250307 787145 LD78441 2011.05060 VERSACARE, INC. 9M LD784411 13

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	486,512.	1,139,149.	1,139,149.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 925,290.			
	Less: allowance for doubtful accounts ▶ 0.	991,548.	925,290.	925,290.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 10	511,586.	100,020.	101,892.
	b Investments - corporate stock STMT 11	5,811,606.	6,606,861.	7,838,811.
	c Investments - corporate bonds STMT 12	2,543,949.	2,185,676.	2,235,068.
	11 Investments - land, buildings, and equipment basis ▶ 7,281,721.			
	Less accumulated depreciation STMT 13▶ 7,023,588.	258,133.	258,133.	12,908,133.
	12 Investments - mortgage loans			
	13 Investments - other STMT 14	3,083,020.	2,967,491.	3,020,331.
	14 Land, buildings, and equipment: basis ▶ 156,371.			
	Less accumulated depreciation STMT 15▶ 144,447.	11,832.	11,924.	12,000.
	15 Other assets (describe ▶ STATEMENT 16)	89,242.	78,137.	215,487.
	16 **Total assets** (to be completed by all filers)	13,787,428.	14,272,681.	28,396,161.
Liabilities	17 Accounts payable and accrued expenses	16,174.	11,739.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	16,174.	11,739.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	13,771,254.	14,260,942.	
	30 **Total net assets or fund balances**	13,771,254.	14,260,942.	
	31 **Total liabilities and net assets/fund balances**	13,787,428.	14,272,681.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	13,771,254.
2 Enter amount from Part I, line 27a	2	489,688.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	14,260,942.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	14,260,942.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SECURITIES - SHORT TERM	P		09/30/12
b	SECURITIES - LONG TERM	P		09/30/12
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	2,088,815.		1,940,221.	148,594.
b	2,237,041.		2,118,443.	118,598.
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				148,594.
b				118,598.
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 267,192.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 } 3 N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	1,436,659.	27,433,583.	.052369
2009	1,401,246.	25,455,457.	.055047
2008	1,330,061.	24,116,179.	.055152
2007	1,209,985.	27,663,135.	.043740
2006	902,220.	21,792,282.	.041401

2	**Total** of line 1, column (d)	2	.247709
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.049542
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	29,406,358.
5	Multiply line 4 by line 3	5	1,456,850.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	19,766.
7	Add lines 5 and 6	7	1,476,616.
8	Enter qualifying distributions from Part XII, line 4	8	1,554,788.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	19,766.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	19,766.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income** Subtract line 4 from line 3. If zero or less, enter -0-	5	19,766.
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 19,200.		
b	Exempt foreign organizations - tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 600.		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	19,800.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due**. If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	34.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 34. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA,FL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ WWW.VERSACARE.ORG

14 The books are in care of ▶ THE FOUNDATION Telephone no. ▶951-343-5800

Located at ▶4097 TRAIL CREEK ROAD, STE. B, RIVERSIDE, CA ZIP+4 ▶92505

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

		Line	Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b | | |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X |

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b | | |

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 17		27,500.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If 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 and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
CAPITAL ADVISORS INC - 2200 S. UTICA PLACE, STE. 150, TULSA, OK 74110	INVESTMENT FEES	76,754.
REC MANAGEMENT & CONSULTING LLC 201 LEASON COVE DRIVE, LUSBY, MD 20657	MANAGEMENT FEES	57,036.
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 MANAGES TWO SENIOR CITIZEN HOUSING UNITS, LOCATED IN CORONA, CALIFORNIA UNDER HUD AUTHORITY. THE TWO HOUSING UNITS HAVE A TOTAL OF 111 UNITS.	0.
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	13,241,817.
b	Average of monthly cash balances		1b	1,473,522.
c	Fair market value of all other assets		1c	15,138,832.
d	**Total** (add lines 1a, b, and c)		1d	29,854,171.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	29,854,171.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	447,813.
5	**Net value of noncharitable-use assets**. Subtract line 4 from line 3. Enter here and on Part V, line 4		5	29,406,358.
6	**Minimum investment return** Enter 5% of line 5		6	1,470,318.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	1,470,318.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 19,766.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	19,766.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	1,450,552.
4	Recoveries of amounts treated as qualifying distributions		4	89,257.
5	Add lines 3 and 4		5	1,539,809.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	1,539,809.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,554,788.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions**. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,554,788.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	19,766.
6	**Adjusted qualifying distributions**. Subtract line 5 from line 4	6	1,535,022.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				1,539,809.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010 59,681.				
f Total of lines 3a through e	59,681.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 1,554,788.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				1,539,809.
e Remaining amount distributed out of corpus	14,979.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	74,660.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	74,660.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010 59,681.				
e Excess from 2011 14,979.				

Part XIV | Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter. (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV | Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

SEE STATEMENT 18

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHMENT #1 FOR DETAIL OF GRANTS AND CONTRIBUTIONS PAID	NONE	OTHER PUBLIC CHARITY	VARIOUS	1,337,583.
Total			▶ 3a	1,337,583.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Form **990-PF** (2011)

123611 12-02-11

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	150,979.	
4 Dividends and interest from securities			14	255,705.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	1,304,907.	
6 Net rental income or (loss) from personal property					
7 Other investment income			14	104,183.	
8 Gain or (loss) from sales of assets other than inventory			18	267,192.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a PRIOR YEAR GRANT					
b RETURNED	900099				89,257.
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		2,082,966.	89,257.

13 Total Add line 12, columns (b), (d), and (e) 13 2,172,223.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
11A	A PRIOR YEAR GRANT WAS RETURNED TO THE ORGANIZATION DURING THE CURRENT YEAR.

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the 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 foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		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 foundation. If the foundation 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.

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

2a Is the foundation 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.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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 taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 5/20/13 Title: President ~~CHAIRMAN~~

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LINDA S. DEVLIN	[signature]	03/07/13		P00074170
Firm's name ▶ AHERN ADCOCK DEVLIN LLP			Firm's EIN ▶ 33-0919055	
Firm's address ▶ 2155 CHICAGO AVENUE, SUITE 100 RIVERSIDE, CA 92507			Phone no. (951) 683-0672	

Form **990-PF** (2011)

123622
12-02-11

Depreciation and Amortization Detail FORM 990-PF PAGE 1 990-PF

Asset Number	Description of property / Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
6	START UP COST							
	102792		.000	16	93,432.		93,432.	0.
7	ORGANIZATIONAL COST							
	102792		.000	16	18,609.		18,609.	0.
8	FILE CABINETS							
	070193	200DB	7.00	17	1,641.		1,641.	0.
9	CONFERENCE TABLE							
	100187	SL	5.00	16	530.		530.	0.
10	ALARM SYSTEM							
	030187	SL	5.00	16	260.		260.	0.
11	CARPETING							
	070190	SL	10.00	16	5,566.		5,566.	0.
12	CHAIRS							
	070190	SL	10.00	16	1,905.		1,905.	0.
13	CARPETING							
	080190	SL	5.00	16	614.		614.	0.
15	DESK							
	070190	SL	15.00	16	879.		879.	0.
16	CREDENZA							
	070190	SL	15.00	16	580.		580.	0.
17	2 CHAIRS							
	100190	SL	15.00	16	951.		951.	0.
18	CANON FAX MACHINE							
	030701	SL	7.00	16	2,795.		2,795.	0.
19	XEROX COPIER							
	101508	SL	5.00	16	14,279.		8,568.	2,856.
20	DELL COMPUTER							
	101508	SL	5.00	16	2,672.		1,602.	534.
21	PROJECTOR							
	090209	SL	5.00	16	1,030.		429.	206.
22	CABINETS (5) & DESKS (2)							
	020210	SL	7.00	16	3,500.		833.	500.
23	GLASS FOR 2 DESKS							
	032310	SL	7.00	16	836.		179.	119.
24	COMPUTER							
	032510	SL	5.00	16	1,007.		302.	201.
26	CONFERENCE PHONE							
	020110	SL	7.00	16	491.		70.	70.
27	DELL COMPUTER							
	083112	SL	5.00	16	1,129.			19.
28	DELL COMPUTER							
	053112	SL	5.00	16	1,129.			75.
29	DELL COMPUTER							
	053112	SL	5.00	16	1,128.			75.
30	LAPTOP							
	073012	SL	5.00	16	1,408.			47.
	* TOTAL 990-PF PG 1 DEPR							
					156,371.	0.	139,745.	4,702.

116261
05-01-11

- Current year section 179 (D) - Asset disposed

ORGANIZATION	AMOUNT OF GRANT	PURPOSE OF GRANT
AdventSource	30,000.00	Family ministries/parenting newsletter and resources
Adventist Health Internation - New Hospital in Venezuela	50,000.00	Hospital construction in Venezuela
Adventist Health - Central Valley Network	39,000.00	Mobile fresh produce truck - providing to communities without access to healthy food
Adventist Risk Management	30,000.00	Stop child abuse NOW material for the 7 Campaign
Alberta Conference of SDA	20,000.00	Life Story of Jesus for the Deaf (DVD, etc.)
Alumni Awards Foundation	50,000.00	Renaissance Network (Education and Business)
ASI	1,000.00	Outreach SDA Ministries
Ayeyarwady Adventist Seminary	20,000.00	Construction and equipping information technology building in Myanmar
Big Lake Youth Camp	10,000.00	Camp for children ages 7-15 that have experienced a family death
Calexico Mission School	10,000.00	Serving students from Mexicali to receive a christian education in English
Corona Regional Medical - Hospice Auxiliary	7,000.00	Hospice Adolescent Grief Counseling and Chaplain Program
Corona Seventh-day Adventist Church	500.00	Mission Trips
Florida Hospital Heartland Medical Center	40,000.00	Delivery of two ambulances and transportation costs to assist into the Dominican Republic
Gela Matebia School	30,000.00	Assist in school building in Ethiopia

Georgia-Cumberland Academy	13,000.00	Outreach project between church and individual - alumni
God's Helping Hands, Inc.	30,000.00	Electrical and Water supply; water storage tank - Guatemala
Holbrook Indian School	20,000.00	Replace out dated, mismatched, inadequate computers in classroom areas
Hope Channel/Go Healthy For Good	90,000.00	Hope Channel - for viewers a one-hour program, etc. chronic diseases, obesity, diabetes, heart disease & cancer
ICC - Nicargua	100,000.00	Nicaragua Orphanage
ICC - Las Palmas	30,000.00	Electrical, drainage issues, etc. for school campus in Dominican Republic
Indiana Academy	23,000.00	Act of Kindness, outreach to adopting a grandparent, mentally challenged children, meals on wheels for the elderly, etc.
La Sierra University - Frederick G. Hoyt Library	25,000.00	New book, internet sources and study courses, etc.
La Sierra University - Adventist Educ.	12,000.00	Marketing and distributing material and follow up film focusing on Adventist education
La Sierra University - Ataruz Excavation Project	4,500.00	Israelite Holy Cistern and Western Courtyard Excavation Project, Excavating and Documenting, etc.
La Sierra University - Center for Conflict Resolution	80,000.00	Implementing a bullying intervention program
La Sierra University - Madaba Plains Project	10,000.00	Excavations in Jordan study

La Sierra University - SIFE	10,000.00	Healthy Family Programs
La Sierra University Women's Resource Center	25,000.00	Domestic Violence Awareness & Prevention
Leoni Meadows Camp	20,683.00	Camp for developmentally disabled campers ages 10-75.
Loma Linda Ronald McDonald House	10,000.00	Placing families in a hotel who are unble to pay while their ill child is receiving medical treatment
Loma Linda University-EXSEED)	50,000.00	Excellence in Science Experiental Education for teachers
Miracle Meadows School, Inc.	40,000.00	Housing for troubled children and for staff housing
Monterey Bay Academy	10,000.00	Implementation of set labs for marine biology program
NAD - Dept. of Education	60,900.00	Program for SDA K-12, needs of students with disabilities
NAD - Women's Ministries	30,000.00	Projects to educate about and prevent abuse
Northern Caribbean University	40,000.00	Assist with the development of Engineering Program
One Mustard Seed, Inc.	1,500.00	Ministry teaching for young
Pacific Union College/Health Clinic - Nicaragua	10,000.00	Materials to rebuild a medical clinic in Nicaragua

Paradise Valley SDA Church	20,000.00	Distribution of food to refugees, and help with the english language
Penn Valley SDA Church	10,000.00	Provide adult day care
Pioneer Memorial Church	9,000.00	Development of spiritual program for children
Restore a Child - SDA school in Jordan	20,000.00	Purchase a school bus for K-12 Adventist school
Rocky Mountain Adventist Healthcare Foundation - Global Health Initiatives (GHI)	30,000.00	Global Health Initiative projects in Nepal
Southern Adventist University	25,000.00	Education program , materials,transportation,etc.
Southeastern California Conference	5,500.00	Support for Drayson Center Employee Health event
Spectrum/Adventist Forum	20,000.00	Produce two pilot television projects with Loma Linda
The Unforgettables Foundation	10,000.00	Supports grieving Families who have lost a child
Universidad de Montemorelos, A.C.	30,000.00	Meeting the physical and spiritual needs of the young and adults in Montemorelos Mexico
Water For Life International	15,000.00	Drilling a well in a village of 700, equipment, pumps and water line in Guatemala

Women's Healing and Empowerment Network	30,000.00	Conferences/Forums to address issue of domestic violence and sexual abuse
Your Story Hour	20,000.00	Children's International Radio Ministry
Youth and Family Life Education Institute	10,000.00	Purchase motivational supplies and academic tutorial
Total	1,337,583.00	

Attachment #2

Versacare, Inc.
CVERSA

Realized Gain/Loss Report

September 30, 2012

Units	Security Description	Cost	Proceeds	Purchase Date	Sale Date	Short Term Gain/Loss	Long Term Gain/Loss
704	Ishares S&P 500 Growth	45,599	54,569	04/02/08	09/26/12		8,970
4,380	Vanguard Emerging Markets	211,091	180,340	03/02/11	09/26/12		(30,751)
120	Vanguard Total Stock Mkt	7,702	8,777	07/02/08	09/26/12		1,075
711	Wisdomtree High-Yield	28,343	33,738	07/02/08	09/26/12		5,396
764	Wisdomtree Largecap	38,098	41,669	03/13/08	09/26/12		3,571
1,262.070	Notes Receivable-Versacare	1,262	1,262	12/27/02	09/19/12		
0.200	Notes Receivable-Versacare	0	0	12/27/02	09/19/12		
3,445.810	Notes Receivable-Versacare	3,446	3,446	12/27/02	09/19/12		
1,190	Johnson & Johnson	75,024	81,554	05/06/10	09/14/12		6,529
440	Visa Inc Cl A	35,163	59,209	06/07/11	09/14/12		24,046
590	Merck & Company	22,929	25,298	04/09/12	08/22/12	2,369	
4,676.900	Notes Receivable-Versacare	4,677	4,677	12/27/02	08/17/12		
350	Kraft Foods Inc Cl A	13,196	14,286	04/09/12	08/15/12	1,091	
210	United Parcel Svc Inc Cl B	16,690	16,093	04/09/12	08/15/12	(597)	
1,820	A T & T Inc (New)	48,924	68,553	08/09/10	08/01/12		19,629
11,100	Weyerhaeuser Co	204,306	257,182	12/27/11	08/01/12	52,876	
3,590	Johnson Ctls Inc	96,357	89,125	07/06/10	07/27/12		(7,232)
6,944.890	Contemporary Healthcare LLC	6,945	6,945	04/10/10	07/18/12		
4,645.930	Notes Receivable-Versacare	4,646	4,646	12/27/02	07/18/12		
100,000	Transcontntl Gas 8.875% Due 8.875% 07/15/12	109,390	100,000	04/25/11	07/15/12		(9,390)
770	Pepsico Inc	50,361	54,195	07/27/10	07/13/12		3,834
430	Verizon Communications	16,171	19,283	04/09/12	07/11/12	3,112	
1,820	Abbott Labs	89,841	113,895	10/13/09	06/21/12		24,054
2,640	Abbott Labs	127,456	165,210	08/08/11	06/21/12	37,755	
1,000	Abbott Labs	47,587	62,580	03/02/11	06/21/12		14,992
3,887.510	Notes Receivable-Versacare	3,888	3,888	12/27/02	06/15/12		
727.650	Notes Receivable-Versacare	728	728	12/27/02	06/15/12		

Attachment #2

Versacare, Inc.
CVERSA

Realized Gain/Loss Report

September 30, 2012

Units	Security Description	Cost	Proceeds	Purchase Date	Sale Date	Short Term Gain/Loss	Long Term Gain/Loss
2,540	Ford Mtr Co Del	40,261	26,735	02/04/11	06/06/12		(13,526)
17,090	Ford Mtr Co Del	185,505	179,885	08/09/11	06/06/12	(5,620)	
150	Phillips 66	5,375	4,694	04/09/12	05/18/12	(681)	
4,584.600	Notes Receivable-Versacare	4,585	4,585	12/27/02	05/15/12		
4,554.230	Notes Receivable-Versacare	4,554	4,554	12/27/02	04/17/12		
2,120	Visa Inc Cl A	169,423	259,148	06/07/11	04/17/12	89,725	
6,030	Ishares MSCI Japan Index	56,542	61,527	01/05/09	04/02/12		4,985
566	Wisdomtree High-Yield Defa	33,315	22,245	03/13/08	04/02/12		(11,070)
957	Wisdomtree Japan High-Yield	41,295	49,452	01/05/09	04/02/12		8,157
370	Apple Computer Inc	123,155	218,395	06/27/11	03/15/12	95,240	
4,524.070	Notes Receivable-Versacare	4,524	4,524	12/27/02	03/13/12		
167,000	Natl Rural Util 7.250% Due 7.250% 03/01/12	168,415	167,000	04/30/09	03/01/12		(1,415)
4,494.110	Notes Receivable-Versacare	4,494	4,494	12/27/02	02/13/12		
4,464.350	Notes Receivable-Versacare	4,464	4,464	12/27/02	01/13/12		
200,000	F F C B 4.875% Due 4.875% 01/06/12	205,340	200,000	07/23/08	01/06/12		(5,340)
4,434.780	Notes Receivable-Versacare	4,435	4,435	12/27/02	12/20/11		
3,990	Celanese Corp Del Ser A	205,763	174,407	05/13/11	12/09/11	(31,355)	
13,830	Corning Inc	201,830	181,825	11/10/11	11/30/11	(20,004)	
1,700	Fedex Corp	152,285	140,452	03/03/11	11/30/11	(11,833)	
15	Fedex Corp	991	1,239	09/22/11	11/30/11	249	
2,480	Sandridge Energy Inc	25,687	16,719	06/23/11	11/28/11	(8,967)	
8,410	Sandridge Energy Inc	68,195	56,697	08/05/11	11/28/11	(11,498)	
1,950	Spectra Energy Corp	43,001	56,191	08/09/10	11/28/11		13,190
5,630	Spectra Energy Corp	115,822	162,234	02/05/10	11/28/11		46,412
1,640	Wal Mart Stores Inc	82,976	94,358	10/10/08	11/28/11		11,381
4,810	Citigroup Inc	192,264	127,833	07/26/11	11/18/11	(64,431)	

Attachment #2

Versacare, Inc.
CVERSA

Realized Gain/Loss Report

September 30, 2012

Units	Security Description	Cost	Proceeds	Purchase Date	Sale Date	Short Term Gain/Loss	Long Term Gain/Loss
2,359	Citigroup Inc	87,646	62,694	08/27/10	11/18/11		(24,952)
4,405.420	Notes Receivable-Versacare	4,405	4,405	12/27/02	11/16/11		
250,000	Chubb Corp 6.000% Due 6.000% 11/15/11	264,263	250,000	04/16/09	11/15/11		(14,263)
42,000	Natl Rural Util 7.250% Due 7.250% 03/01/12	42,361	43,051	04/30/09	10/24/11		690
4,376.240	Notes Receivable-Versacare	4,376	4,376	12/27/02	10/17/11		
3,160	Kimberly Clark Corp	201,298	222,462	08/04/11	10/06/11	21.164	
	Total Gains					303,580	196,910
	Total Losses					(154,986)	(117,939)
	Adjustments		39,627				39,627
	Grand Total	4,058,664	~~4,286,229~~ 4,325,856			148,594	~~78,971~~ 118,598

Per Form 990-PF:

	Cost	Proceeds	Gain
Short-Term	1,940,221	2,088,815	148,594
Long-Term	2,118,443	2,237,041	118,598
Totals	4,058,664	4,325,856	267,192

Capital Advisors, Inc.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME	75,150.
TOWERS NOTE RECEIVABLE	75,829.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	150,979.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	255,705.	0.	255,705.
TOTAL TO FM 990-PF, PART I, LN 4	255,705.	0.	255,705.

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
2600 SOUTH MAIN STREET, CORONA, CA	1	1,304,907.
TOTAL TO FORM 990-PF, PART I, LINE 5A		1,304,907.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY & MISC INCOME	1,634.	1,634.	
CONTEMPORARY HEALTH CARE - K-1	102,549.	102,549.	
PRIOR YEAR GRANT RETURNED	89,257.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	193,440.	104,183.	

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	12,435.	4,103.		8,332.
TO FM 990-PF, PG 1, LN 16A	12,435.	4,103.		8,332.

FORM 990-PF ACCOUNTING FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	25,446.	8,397.		17,049.
TO FORM 990-PF, PG 1, LN 16B	25,446.	8,397.		17,049.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONSULTING FEES	23,630.	7,798.		15,832.
MANAGEMENT & EXEC DIRECTOR FEES	57,177.	18,868.		38,309.
TO FORM 990-PF, PG 1, LN 16C	80,807.	26,666.		54,141.

FORM 990-PF TAXES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES & LICENSE	315.	104.		211.
PROPERTY TAXES	527.	174.		353.
EXCISE TAX	16,671.	0.		0.
TO FORM 990-PF, PG 1, LN 18	17,513.	278.		564.

FORM 990-PF OTHER EXPENSES STATEMENT 9

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONTRACT LABOR	21,248.	7,012.		14,236.
GIFTS & PROMOTION	3,674.	1,212.		2,462.
INSURANCE	2,739.	904.		1,835.
MISCELLANEOUS	63.	21.		42.
DUES AND SUBSCRIPTION	285.	94.		191.
POSTAGE	1,205.	398.		807.
SUPPLIES	4,732.	1,562.		3,170.
TECHNOLOGY	10,390.	3,429.		6,961.
CLEANING SERVICE	1,250.	412.		838.
REPAIRS AND MAINTENANCE	312.	103.		209.
BOARD MEETING MEALS	1,251.	0.		1,251.
INVESTMENT EXPENSE	76,754.	25,329.		51,425.
TELEPHONE	5,204.	1,717.		3,487.
TO FORM 990-PF, PG 1, LN 23	129,107.	42,193.		86,914.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
COWWETA OKLA PUB WKS 081013 4%	X		100,020.	101,892.
FEDERAL FARM CREDIT BANK	X		0.	0.
NATL RURAL UTIL 7.25%	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS			100,020.	101,892.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			100,020.	101,892.

FORM 990-PF CORPORATE STOCK STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	6,606,861.	7,838,811.
TOTAL TO FORM 990-PF, PART II, LINE 10B	6,606,861.	7,838,811.

FORM 990-PF CORPORATE BONDS STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	2,185,676.	2,235,068.
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,185,676.	2,235,068.

FORM 990-PF DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 13

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND IMPROVEMENTS	662,997.	662,997.	0.
LAND	258,133.	0.	258,133.
BUILDINGS	6,360,591.	6,360,591.	0.
TOTAL TO FM 990-PF, PART II, LN 11	7,281,721.	7,023,588.	258,133.

FORM 990-PF OTHER INVESTMENTS STATEMENT 14

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER INVESTMENTS	COST	2,967,491.	3,020,331.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,967,491.	3,020,331.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 15

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
START UP COST	93,432.	93,432.	0.
ORGANIZATIONAL COST	18,609.	18,609.	0.
FILE CABINETS	1,641.	1,641.	0.
CONFERENCE TABLE	530.	530.	0.
ALARM SYSTEM	260.	260.	0.
CARPETING	5,566.	5,566.	0.
CHAIRS	1,905.	1,905.	0.
CARPETING	614.	614.	0.
DESK	879.	879.	0.
CREDENZA	580.	580.	0.
2 CHAIRS	951.	951.	0.
CANON FAX MACHINE	2,795.	2,795.	0.
XEROX COPIER	14,279.	11,424.	2,855.
DELL COMPUTER	2,672.	2,136.	536.
PROJECTOR	1,030.	635.	395.
CABINETS (5) & DESKS (2)	3,500.	1,333.	2,167.
GLASS FOR 2 DESKS	836.	298.	538.
COMPUTER	1,007.	503.	504.
CONFERENCE PHONE	491.	140.	351.
DELL COMPUTER	1,129.	19.	1,110.
DELL COMPUTER	1,129.	75.	1,054.
DELL COMPUTER	1,128.	75.	1,053.
LAPTOP	1,408.	47.	1,361.
TOTAL TO FM 990-PF, PART II, LN 14	156,371.	144,447.	11,924.

FORM 990-PF OTHER ASSETS STATEMENT 16

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PAINTINGS	62,650.	62,650.	200,000.
INTEREST RECEIVABLE	26,592.	15,487.	15,487.
TO FORM 990-PF, PART II, LINE 15	89,242.	78,137.	215,487.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 17

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DEBRA BRILL 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	2,500.	0.	0.
ELLEN H BRODERSEN, CPA 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	CFO 3.00	2,500.	0.	0.
GEORGE W. BROWN 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	2,500.	0.	0.
ROBERT E. COY, J.D. 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	PRESIDENT/VICE CHAIRMAN 20.00	2,500.	0.	0.
CALVIN J. HANSON 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	SECRETARY 1.00	2,500.	0.	0.
ROBERT MACOMBER, J.D. 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	1,500.	0.	0.
CHARLES C. SANDEFUR 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	CHAIRMAN 1.00	2,500.	0.	0.
RON M. WISBEY 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	VICE PRESIDENT 4.00	2,500.	0.	0.
MYRNA COSTA 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	2,500.	0.	0.
RICHARD W.S.PERSHING 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	2,500.	0.	0.
ROSCOE J. HOWARD, III 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	1,000.	0.	0.

TOM MACOMBER 4097 TRAIL CREEK ROAD, STE B RIVERSIDE, CA 92505	DIRECTOR 1.00	2,500.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		27,500.	0.	0.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION PART XV, LINES 2A THROUGH 2D STATEMENT 18

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE VERSAFUND
4097 TRAIL CREEK ROAD, SUITE B
RIVERSIDE, CA 92505

TELEPHONE NUMBER

951-343-5800

FORM AND CONTENT OF APPLICATIONS

CALL OR WRITE FOR APPLICATION FORM.

ANY SUBMISSION DEADLINES

APPLICATION AND ACCOMPANYING MATERIALS DUE DECEMBER 31ST. GRANTS ANNOUNCED BY MARCH 15TH.

RESTRICTIONS AND LIMITATIONS ON AWARDS

FUNDING WILL BE CONSIDERED FOR INNOVATIVE MINISTRY IDEAS, ESPECIALLY IN THE AREAS OF CHRISTIAN EDUCATION, YOUTH MINISTRY AND HEALTHCARE.

Form **8868** (Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

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

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

AS REVISED

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions. VERSACARE, INC.	Employer identification number (EIN) or [X] 33-0052434
	Number, street, and room or suite no. If a P.O. box, see instructions. 4097 TRAIL CREEK ROAD, STE. B	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. RIVERSIDE, CA 92505	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ THE FOUNDATION 4097 TRAIL CREEK ROAD, STE. B - RIVERSIDE, CA 92505
  Telephone No. ▶ 951-343-5800 FAX No. ▶
- 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 is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until MAY 15, 2013 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year ______ or
▶ [X] tax year beginning OCT 1, 2011 , and ending SEP 30, 2012 .

2 If the tax year entered in line 1 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.	3a	$ 19,800.
b	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.	3b	$ 19,200.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 600.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Form 8868
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

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OMB No. 1545-1709

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Type or print		
	Name of exempt organization or other filer, see instructions. VERSACARE, INC.	Employer identification number (EIN) or [X] 33-0052434
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 4097 TRAIL CREEK ROAD, STE. B	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. RIVERSIDE, CA 92505	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

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Form 990-T (trust other than above)	06	Form 8870	12

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b	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.	3b	$ 19,200.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 425.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.