**Return of Organization Exempt From Income Tax**

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

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

**For the 2002 calendar year, or tax year period beginning MAY 1, 2002 and ending APR 30, 2003**

**G. Name of organization**

MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT, INC.

**31-0900246**

**Address**

433 CHESTNUT STREET

BEAVER, KY 40403

**H. Employer Identification number**

**J. Organization type**

501(c) 3

**K. Check here if the organization’s gross receipts are normally not more than $52,000.**

The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**L. Gross receipts**

Add lines 6a, 6b, 6c, and 10b to line 12

1,114,172

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

1. Contributions, gifts, grants, and similar amounts received

   a. Direct public support

   b. Indirect public support

   c. Government contributions (grants)

   d. Total (add lines la through lc) (cash $947,241, noncash $647,041)

2. Program service revenue including government fees and contracts (from Part VII, line 93)

3. Membership dues and assessments

4. Interest on savings and temporary cash investments

5. Dividends and interest from securities

6. Other investment income (describe)

7. Gross rents

8. Gross amount from sale of assets other than inventory

   a. Greater than $10,000

   b. Less than $10,000

   c. Less cost or other basis and sales expenses

   d. Gain or (loss) (attach schedule)

   e. Net gain or (loss) (combine line 6c, columns (A) and (B))

   f. Special events and activities (attach schedule)

   g. Gross revenue (not including $947,241 of contributions)

   h. Less direct expenses other than fundraising expenses

   i. Net income or (loss) from special events (subtract line 9b from line 9a)

   j. Gross sales of inventory, less returns and allowances

   k. Less cost of goods sold

   l. Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

11. Other revenue (from Part VII, line 103)

12. Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12. 1,114,172

13. Program services (from line 4d, column (B))

14. Management and general (from line 4d, column (C))

15. Fundraising (from line 4d, column (D))

16. Payments to affiliates (attach schedule)

17. Total expenses (add lines 16 and 44, column (A))

17. 900,246

18. Excess or (deficit) for the year (subtract line 17 from line 12)

18. 213,926

19. Net assets or fund balances at beginning of year (from line 73, column (A))

19. 3,856,890

20. Other changes in net assets or fund balances (attach explanation)

20. 710,090

21. Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21. 4,069,775

**SEE STATEMENT 2**

**SEE STATEMENT 1**

8,920

**SCANNED JAN 06 2004**

**LHA For Paperwork Reduction Act Notice, see the separate instructions**

**2002**

Open to Public Inspection
### Part II: Statement of Functional Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>(A) Total</th>
<th>(B) Program Services</th>
<th>(C) Management and general</th>
<th>(D) Fundraising</th>
</tr>
</thead>
<tbody>
<tr>
<td>22  Grants and allocations (attach schedule)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash $192,230, noncash $</td>
<td>192,230</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23  Specific assistance to individuals (attach schedule)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24  Benefits paid to or for members (attach schedule)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25  Compensation of officers, directors, etc</td>
<td>64,733</td>
<td>58,260</td>
<td>6,473</td>
<td>0</td>
</tr>
<tr>
<td>26  Other salaries and wages</td>
<td>228,398</td>
<td>222,351</td>
<td>6,047</td>
<td></td>
</tr>
<tr>
<td>27  Pension plan contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28  Other employee benefits</td>
<td>65,110</td>
<td>58,599</td>
<td>6,511</td>
<td></td>
</tr>
<tr>
<td>29  Payroll taxes</td>
<td>22,864</td>
<td>20,584</td>
<td>2,280</td>
<td></td>
</tr>
<tr>
<td>30  Professional fundraising fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31  Accounting fees</td>
<td>43,208</td>
<td>34,566</td>
<td>8,642</td>
<td></td>
</tr>
<tr>
<td>32  Legal fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33  Supplies</td>
<td>2,633</td>
<td>395</td>
<td>2,238</td>
<td></td>
</tr>
<tr>
<td>34  Telephone</td>
<td>8,251</td>
<td>1,073</td>
<td>7,178</td>
<td></td>
</tr>
<tr>
<td>35  Postage and shipping</td>
<td>1,536</td>
<td>1,382</td>
<td>154</td>
<td></td>
</tr>
<tr>
<td>36  Occupancy</td>
<td>21,919</td>
<td>17,972</td>
<td>3,947</td>
<td></td>
</tr>
<tr>
<td>37  Equipment rental and maintenance</td>
<td>11,701</td>
<td>1,521</td>
<td>10,180</td>
<td></td>
</tr>
<tr>
<td>38  Printing and publications</td>
<td>5,485</td>
<td>455</td>
<td>5,030</td>
<td></td>
</tr>
<tr>
<td>39  Travel</td>
<td>20,020</td>
<td>20,020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40  Conferences, conventions, and meetings</td>
<td>9,133</td>
<td>913</td>
<td>8,220</td>
<td></td>
</tr>
<tr>
<td>41  Interest</td>
<td>1,550</td>
<td>1,550</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42  Depreciation, depletion, etc (attach schedule)</td>
<td>10,642</td>
<td>5,321</td>
<td>5,321</td>
<td></td>
</tr>
<tr>
<td>43  Other expenses not covered above (itemize)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e  SEE STATEMENT 3</td>
<td>190,833</td>
<td>183,390</td>
<td>7,443</td>
<td></td>
</tr>
<tr>
<td>f  Total of Functional expenses (attach schedule)</td>
<td>900,246</td>
<td>820,582</td>
<td>79,664</td>
<td>0</td>
</tr>
</tbody>
</table>

**Joint Costs**

- Check if you are following SOP 98-2
- Yes [ ] No [x]

**Part III: Statement of Program Service Accomplishments**

- What is the organization's primary exempt purpose?

<table>
<thead>
<tr>
<th>Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts, but optional for others)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a  SEE STATEMENT 4</td>
</tr>
<tr>
<td>(Grants and allocations $) 192,230.                                                   820,582.</td>
</tr>
<tr>
<td>b</td>
</tr>
<tr>
<td>(Grants and allocations $)</td>
</tr>
<tr>
<td>c</td>
</tr>
<tr>
<td>(Grants and allocations $)</td>
</tr>
<tr>
<td>d</td>
</tr>
<tr>
<td>(Grants and allocations $)</td>
</tr>
<tr>
<td>e  Other program services (attach schedule)</td>
</tr>
<tr>
<td>(Grants and allocations $)</td>
</tr>
<tr>
<td>f  Total of Program Service Expenses (should equal line 44, column (B), Program services)</td>
</tr>
<tr>
<td>[ ] 820,582.</td>
</tr>
</tbody>
</table>

Form 990 (2002)
## Balance Sheets

### Part IV

<table>
<thead>
<tr>
<th></th>
<th>(A) Beginning of year</th>
<th>(B) End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Cash - non-interest-bearing</td>
<td>857,492.45</td>
</tr>
<tr>
<td>46</td>
<td>Savings and temporary cash investments</td>
<td></td>
</tr>
<tr>
<td>47a</td>
<td>Accounts receivable</td>
<td>307,441.47</td>
</tr>
<tr>
<td>47b</td>
<td>Less allowance for doubtful accounts</td>
<td>87,333.47</td>
</tr>
<tr>
<td>48a</td>
<td>Pledges receivable</td>
<td></td>
</tr>
<tr>
<td>48b</td>
<td>Less allowance for doubtful accounts</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Grants receivable</td>
<td>122,845.49</td>
</tr>
<tr>
<td>50</td>
<td>Receivables from officers, directors, trustees, and key employees</td>
<td></td>
</tr>
<tr>
<td>51a</td>
<td>Other notes and loans receivable</td>
<td>2,070,260.51</td>
</tr>
<tr>
<td>51b</td>
<td>Less allowance for doubtful accounts</td>
<td>100,096.51</td>
</tr>
<tr>
<td>52</td>
<td>Inventories for sale or use</td>
<td>52</td>
</tr>
<tr>
<td>53</td>
<td>Prepaid expenses and deferred charges</td>
<td>53</td>
</tr>
<tr>
<td>54</td>
<td>Investments - securities</td>
<td>54</td>
</tr>
<tr>
<td>55a</td>
<td>Investments - land, buildings, and equipment basis</td>
<td></td>
</tr>
<tr>
<td>55b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Investments - other</td>
<td>SEE STATEMENT 6</td>
</tr>
<tr>
<td>57a</td>
<td>Land, buildings, and equipment basis</td>
<td>230,554.57</td>
</tr>
<tr>
<td>57b</td>
<td>Less accumulated depreciation</td>
<td>77,850.57</td>
</tr>
<tr>
<td>58</td>
<td>Other assets (describe ▶)</td>
<td>SEE STATEMENT 7)</td>
</tr>
<tr>
<td>59</td>
<td>Total assets (add lines 45 through 58) (must equal line 74)</td>
<td>4,070,535.59</td>
</tr>
<tr>
<td>60</td>
<td>Accounts payable and accrued expenses</td>
<td>53,645.60</td>
</tr>
<tr>
<td>61</td>
<td>Grants payable</td>
<td>61</td>
</tr>
<tr>
<td>62</td>
<td>Deferred revenue</td>
<td>62</td>
</tr>
<tr>
<td>63</td>
<td>Loans from officers, directors, trustees, and key employees</td>
<td>63</td>
</tr>
<tr>
<td>64a</td>
<td>Tax-exempt bond liabilities</td>
<td>64a</td>
</tr>
<tr>
<td>65</td>
<td>Mortgages and other notes payable</td>
<td>160,000.65</td>
</tr>
<tr>
<td>66</td>
<td>Other liabilities (describe ▶)</td>
<td>66</td>
</tr>
<tr>
<td>68</td>
<td>Total liabilities (add lines 60 through 65)</td>
<td>213,645.66</td>
</tr>
<tr>
<td>69</td>
<td>Organizations that follow SFAS 117, check here ▶ X and complete lines 67 through 74 and lines 73 and 74</td>
<td>1,171,127.67</td>
</tr>
<tr>
<td>69a</td>
<td>Unrestricted</td>
<td>2,685,763.68</td>
</tr>
<tr>
<td>69b</td>
<td>Temporarily restricted</td>
<td>69</td>
</tr>
<tr>
<td>69c</td>
<td>Permanently restricted</td>
<td>69</td>
</tr>
<tr>
<td>71</td>
<td>Capital stock, trust principal, or current funds</td>
<td>70</td>
</tr>
<tr>
<td>71</td>
<td>Paid-in or capital surplus, or land, building, and equipment fund</td>
<td>71</td>
</tr>
<tr>
<td>72</td>
<td>Retained earnings, endowment, accumulated income, or other funds</td>
<td>72</td>
</tr>
<tr>
<td>73</td>
<td>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)</td>
<td>3,856,890.73</td>
</tr>
<tr>
<td>74</td>
<td>Total liabilities and net assets or fund balances (add lines 66 and 73)</td>
<td>4,070,535.74</td>
</tr>
</tbody>
</table>
### Part IV-A: Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Total revenue, gains, and other support per audited financial statements</td>
<td>1,114,172.00</td>
</tr>
<tr>
<td>b</td>
<td>Amounts included on line a but not on line 12, Form 990</td>
<td>0.00</td>
</tr>
<tr>
<td>(1)</td>
<td>Net unrealized gains on investments</td>
<td>$</td>
</tr>
<tr>
<td>(2)</td>
<td>Donated services and use of facilities</td>
<td>$</td>
</tr>
<tr>
<td>(3)</td>
<td>Recoveries of prior year grants</td>
<td>$</td>
</tr>
<tr>
<td>(4)</td>
<td>Other (specify)</td>
<td>$</td>
</tr>
</tbody>
</table>

Add amounts on lines (1) through (4) | 0.00 |
Line a minus line b | 1,114,172.00 |
Amounts included on line 12, Form 990 but not on line a |

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

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Total expenses and losses per audited financial statements</td>
<td>901,287.00</td>
</tr>
<tr>
<td>b</td>
<td>Amounts included on line a but not on line 17, Form 990</td>
<td>0.00</td>
</tr>
<tr>
<td>(1)</td>
<td>Donated services and use of facilities</td>
<td>$</td>
</tr>
<tr>
<td>(2)</td>
<td>Prior year adjustments reported on line 20, Form 990</td>
<td>$</td>
</tr>
<tr>
<td>(3)</td>
<td>Losses reported on line 20, Form 990</td>
<td>$</td>
</tr>
<tr>
<td>(4)</td>
<td>Other (specify)</td>
<td>$</td>
</tr>
</tbody>
</table>

Add amounts on lines (1) through (4) | 1,041.00 |
Line a minus line b | 900,246.00 |
Amounts included on line 17, Form 990 but not on line a |

### Part V: List of Officers, Directors, Trustees, and Key Employees

<table>
<thead>
<tr>
<th>(A) Name and Address</th>
<th>(B) Title and average hours per week devoted to position</th>
<th>(C) Compensation (If not paid, enter 0)</th>
<th>(D) Contributions to employee benefit plans &amp; deferred compensation</th>
<th>(E) Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETER HILLE</td>
<td>DIRECTOR</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>433 CHESTNUT STREET, BREA, KY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LORI GARKOVICH</td>
<td>SECRETARY</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>VERSAILLES, KENTUCKY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IKE ADAMS</td>
<td>DIRECTOR</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>PAINT LICK, KENTUCKY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DICK GRAFF</td>
<td>DIRECTOR</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>CINCINNATI, OH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STEVE MENG</td>
<td>TREASURER</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>MANCHESTER, KENTUCKY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HERB SMITH</td>
<td>CHAIR</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>WHITESBURG, KENTUCKY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JUSTIN MAXSON</td>
<td>PRESIDENT</td>
<td>40</td>
<td>64,733.00</td>
<td>6,669.00</td>
</tr>
<tr>
<td>433 CHESTNUT STREET, BREA, KY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

76 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? If "Yes," attach schedule.

Yes [x] No
### Part VI | Other Information

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>76 Did the organization engage in any activity not previously reported to the IRS? If &quot;Yes,&quot; attach a detailed description of each activity</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>77 Were any changes made in the organizing or governing documents but not reported to the IRS?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>78 Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>80 Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

#### See Statement 9

- Enter the name of the organization
- Check whether it is exempt or nonexempt.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>81a Enter direct or indirect political expenditures See line 81 instructions</td>
<td>0.</td>
<td></td>
</tr>
<tr>
<td>81b Did the organization file Form 1120-POL for this year?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>82b If &quot;Yes,&quot; you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III )</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>83a Did the organization comply with the public inspection requirements for returns and exemption applications?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>84a Did the organization solicit any contributions or gifts that were not tax deductible?</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>84b If &quot;Yes,&quot; did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>85a 501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>85b Did the organization make only in-house lobbying expenditures of $2,000 or less?</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>85c If &quot;Yes&quot; was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>85d Dues, assessments, and similar amounts from members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85e Aggregate deductible amount of section 6033(e)(1)(A) dues notices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85f Taxable amount of lobbying and political expenditures (line 85d less 85e)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to non deductible lobbying and political expenditures for the following tax year?</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>86a 501(c)(7) organizations Enter: a) Initiation fees and capital contributions included on line 12</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>86b Gross receipts, included on line 12, for public use of club facilities</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>87a 501(c)(12) organizations Enter: a) Gross income from members or shareholders</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>87b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

#### See Form IX

- Enter: Amount of tax imposed on the organization during the year under section 4911, section 4912, section 4913, section 4955, and section 4956

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>89a 501(c)(3) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>89b If &quot;Yes,&quot; attach a statement explaining such transaction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>90a List the states with which a copy of this return is filed</td>
<td>KENTUCKY</td>
<td></td>
</tr>
<tr>
<td>90b Number of employees employed in the pay period that includes March 12, 2002</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>91 The books are in care of: CONTROLLER Phone number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Located at: 433 CHESTNUT STREET, BEREA, KY ZIP + 4: 40403
**Part VII | Analysis of Income-Producing Activities**

Note: Enter gross amounts unless otherwise indicated.

<table>
<thead>
<tr>
<th>(A) Business code</th>
<th>(B) Amount</th>
<th>(C) Exclusion code</th>
<th>(D) Amount</th>
<th>(E) Related or exempt function income</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT INCOME</td>
<td>32,236</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEE INCOME</td>
<td>2,458</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIMBURSEMENTS</td>
<td>6,968</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROGRAM SERVICE REVENUE</td>
<td>110,318</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare/Medicaid payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and contracts from government agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues and assessments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on savings and temporary cash investments</td>
<td></td>
<td>14,1260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest from securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net rental income or (loss) from real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>debt-financed property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not debt-financed property</td>
<td></td>
<td>8,920</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net rental income or (loss) from personal property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain or (loss) from sales of assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other than inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income or (loss) from special events</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit or (loss) from sales of inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>MISCELLANEOUS</td>
<td>4,771</td>
<td></td>
</tr>
<tr>
<td>Subtotal (columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td>0.</td>
<td></td>
</tr>
<tr>
<td>Total (add line 104, columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td>10,180</td>
<td>156,751</td>
</tr>
</tbody>
</table>

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**

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).

**ALL ADMINISTRATION OF OVERALL EDUCATIONAL RESEARCH AND ECONOMIC DEVELOPMENT ACTIVITIES**

**Part IX | Information Regarding Taxable Subsidiaries and Disregarded Entities**

<table>
<thead>
<tr>
<th>(A) Name, address, and EIN of corporation, partnership, or disregarded entity</th>
<th>(B) Percentage of ownership interest</th>
<th>(C) Nature of activities</th>
<th>(D) Total income</th>
<th>(E) End-of-year assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIDGECREST ENT INC. 433 CHESTNUT ST. BEREA, KY 40403</td>
<td>%REAL</td>
<td>%ESTATE/INVESTMENTS</td>
<td>7,016</td>
<td>460,743</td>
</tr>
</tbody>
</table>

**Part X | Information Regarding Transfers Associated with Personal Benefit Contracts**

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  
Yes [X] No

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

Please ensure that all signatures are genuine and legible. It is true to the best of my knowledge and belief that the information is correct and complete. Preparation of the return is based on all information of which preparer has any knowledge.

**Sign Here**

Preparer's signature: [Signature]
Date: 12/15/03
Preparer: [Name]
EIN: [Number]
Preparer's SSN or PTIN: [Number]
Phone: (859) 253-1100

**Use Only**

Preparer's address: 301 EAST MAIN STREET SUITE 300 LEXINGTON, KY. 40507
Preparer's phone: (859) 253-1100

Form 990 (2002)
# Organization Exempt Under Section 501(c)(3)

## Name of the Organization
**MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT, INC.**

## Employer Identification Number
**31 0900246**

### 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").

<table>
<thead>
<tr>
<th>(a) Name and address of each employee paid more than $50,000</th>
<th>(b) Title and average hours per week devoted to position</th>
<th>(c) Compensation</th>
<th>(d) Contributions to employee benefit plans &amp; deferred compensation</th>
<th>(e) Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>研究未找到中文信息</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>研究未找到中文信息</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>研究未找到中文信息</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>研究未找到中文信息</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>研究未找到中文信息</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total number of other employees paid over $50,000

### 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").

<table>
<thead>
<tr>
<th>(a) Name and address of each independent contractor paid more than $50,000</th>
<th>(b) Type of service</th>
<th>(c) Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTTER &amp; CO., LLP</td>
<td>AUDIT &amp; ACCOUNTING</td>
<td>69,438.</td>
</tr>
</tbody>
</table>

Total number of others receiving over $50,000 for professional services
### Part III: Statements About Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 &quot;Yes,&quot; enter the total expenses paid or incurred in connection with the lobbying activities.</td>
<td>1</td>
<td>X</td>
</tr>
</tbody>
</table>

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.

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 |

SEE PART V, FORM 990

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)

4) Do you have a section 403(b) annuity plan for your employees?

Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

### Part IV: Reason for Non-Private Foundation Status

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)(iv)

9) A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(v) 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)(vi) (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)(v) (Also complete the Support Schedule in Part IV-A.)

11b) A community trust. Section 170(b)(1)(A)(v) (Also complete the Support Schedule in Part IV-A.)

12) An organization that normally receives 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.)

<table>
<thead>
<tr>
<th>(a) Name(s) of supported organization(s)</th>
<th>(b) Line number from above</th>
</tr>
</thead>
</table>

14) An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)
<table>
<thead>
<tr>
<th>Calendar year (or fiscal year) beginning on</th>
<th>(a) 2001</th>
<th>(b) 2000</th>
<th>(c) 1999</th>
<th>(d) 1998</th>
<th>(e) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts, grants, and contributions received (Do not include unusual grants. See line 28)</td>
<td>1,353,766.</td>
<td>1,386,128.</td>
<td>2,013,651.</td>
<td>792,046.</td>
<td>5,545,591.</td>
</tr>
<tr>
<td>Membership fees received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>113,118.</td>
<td>342,695.</td>
<td>213,706.</td>
<td>317,759.</td>
<td>987,278.</td>
</tr>
<tr>
<td>Net income from unrelated business activities not included in line 18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax revenues levied for the organization’s benefit and either paid to it or expended on its behalf</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total of lines 15 through 22</td>
<td>1,466,884.</td>
<td>1,728,823.</td>
<td>2,227,357.</td>
<td>1,109,805.</td>
<td>6,532,869.</td>
</tr>
<tr>
<td>Line 23 minus line 17</td>
<td>1,466,884.</td>
<td>1,728,823.</td>
<td>2,227,357.</td>
<td>1,109,805.</td>
<td>6,532,869.</td>
</tr>
<tr>
<td>Enter 1% of line 23</td>
<td>14,669.</td>
<td>17,288.</td>
<td>22,274.</td>
<td>11,098.</td>
<td></td>
</tr>
<tr>
<td>Organizations described on lines 10 or 11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Enter 2% of amount in column (e), line 24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Total support for section 509(a)(1) test: Enter line 24, column (e)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Add Amounts from column (e) for lines 18-19</td>
<td>987,278.</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Public support (line 26c minus line 26d total)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Public support percentage (line 26e (numerator) divided by line 26c (denominator))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations described on line 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a For amounts included in lines 15, 16, and 17 that were received from a &quot;disqualified person,&quot; prepare a list for your records to show the name of, and total amounts received in each year from, each &quot;disqualified person.&quot; Do not file this list with your return. Enter the sum of such amounts for each year N/A (2001) (2000) (1999) (1998)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b For any amount included in line 17 that was received from each person (other than &quot;disqualified persons&quot;), 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 N/A (2001) (2000) (1999) (1998)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Add Amounts from column (e) for lines 15-20</td>
<td>15</td>
<td>16</td>
<td>20</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>d Add Line 27a total and line 27b total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Public support (line 27c total minus line 27d total)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Total support for section 509(a)(3) test: Enter amount on line 23, column (b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Public support percentage (line 27e (numerator) divided by line 27f (denominator))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. **NONE**
### Part V Private School Questionnaire
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>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?</td>
<td>29</td>
</tr>
<tr>
<td>30</td>
<td>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?</td>
<td>30</td>
</tr>
<tr>
<td>31</td>
<td>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 &quot;Yes,&quot; please describe, if &quot;No,&quot; please explain (If you need more space, attach a separate statement.)</td>
<td>31</td>
</tr>
<tr>
<td>32</td>
<td>Does the organization maintain the following</td>
<td>32a</td>
</tr>
<tr>
<td>a</td>
<td>Records indicating the racial composition of the student body, faculty, and administrative staff?</td>
<td>32b</td>
</tr>
<tr>
<td>b</td>
<td>Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?</td>
<td>32c</td>
</tr>
<tr>
<td>c</td>
<td>Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?</td>
<td>32d</td>
</tr>
<tr>
<td>d</td>
<td>Copies of all material used by the organization or on its behalf to solicit contributions? If you answered &quot;No&quot; to any of the above, please explain (If you need more space, attach a separate statement.)</td>
<td>32</td>
</tr>
<tr>
<td>33</td>
<td>Does the organization discriminate by race in any way with respect to</td>
<td>33a</td>
</tr>
<tr>
<td>a</td>
<td>Students' rights or privileges?</td>
<td>33b</td>
</tr>
<tr>
<td>b</td>
<td>Admissions policies?</td>
<td>33c</td>
</tr>
<tr>
<td>c</td>
<td>Employment of faculty or administrative staff?</td>
<td>33d</td>
</tr>
<tr>
<td>d</td>
<td>Scholarships or other financial assistance?</td>
<td>33e</td>
</tr>
<tr>
<td>e</td>
<td>Educational policies?</td>
<td>33f</td>
</tr>
<tr>
<td>f</td>
<td>Use of facilities?</td>
<td>33g</td>
</tr>
<tr>
<td>g</td>
<td>Athletic programs?</td>
<td>33h</td>
</tr>
<tr>
<td>h</td>
<td>Other extracurricular activities? If you answered &quot;Yes&quot; to any of the above, please explain (If you need more space, attach a separate statement.)</td>
<td>33</td>
</tr>
<tr>
<td>34</td>
<td>Does the organization receive any financial aid or assistance from a governmental agency?</td>
<td>34a</td>
</tr>
<tr>
<td>a</td>
<td>Has the organization's right to such aid ever been revoked or suspended?</td>
<td>34b</td>
</tr>
<tr>
<td>b</td>
<td>If you answered &quot;Yes&quot; to either 34a or b, please explain using an attached statement.</td>
<td>34</td>
</tr>
<tr>
<td>35</td>
<td>Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If &quot;No,&quot; attach an explanation</td>
<td>35</td>
</tr>
</tbody>
</table>
### Part VI-A Lobbying Expenditures by Electing Public Charities

**Limit on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

<table>
<thead>
<tr>
<th></th>
<th>(a) Affiliated group totals</th>
<th>(b) To be completed for all electing organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Total lobbying expenditures to influence public opinion (grassroots lobbying)</td>
<td>36</td>
</tr>
<tr>
<td>37</td>
<td>Total lobbying expenditures to influence a legislative body (direct lobbying)</td>
<td>37</td>
</tr>
<tr>
<td>38</td>
<td>Total lobbying expenditures (add lines 36 and 37)</td>
<td>38</td>
</tr>
<tr>
<td>39</td>
<td>Other exempt purpose expenditures</td>
<td>39</td>
</tr>
<tr>
<td>40</td>
<td>Total exempt purpose expenditures (add lines 38 and 39)</td>
<td>40</td>
</tr>
<tr>
<td><strong>41</strong></td>
<td>Lobbying nontaxable amount. Enter the amount from the following table -</td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount</th>
<th>The lobbying nontaxable amount is -</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</table>

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.)

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2002</th>
<th>(b) 2001</th>
<th>(c) 2000</th>
<th>(d) 1999</th>
<th>(e) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Lobbying nontaxable amount</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46 Lobbying ceiling amount (150% of line 45(e))</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47 Total lobbying expenditures</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48 Grassroots nontaxable amount</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49 Grassroots ceiling amount (150% of line 48(e))</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 Grassroots lobbying expenditures</td>
<td>0.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part VI-B Lobbying Activity by Nonelecting Public Charities

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

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid staff or management (Include compensation in expenses reported on lines c through h)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media advertisements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailings to members, legislators, or the public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications, or published or broadcast statements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to other organizations for lobbying purposes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct contact with legislators, their staffs, government officials, or a legislative body</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total lobbying expenditures (Add lines c through h)</td>
<td></td>
<td>0.</td>
</tr>
</tbody>
</table>
**Part VII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

(See page 12 of the instructions)

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

<table>
<thead>
<tr>
<th>a</th>
<th>Transfers from the reporting organization to a noncharitable exempt organization of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Cash</td>
</tr>
<tr>
<td>(ii)</td>
<td>Other assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b</th>
<th>Other transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Sales or exchanges of assets with a noncharitable exempt organization</td>
</tr>
<tr>
<td>(ii)</td>
<td>Purchases of assets from a noncharitable exempt organization</td>
</tr>
<tr>
<td>(iii)</td>
<td>Rental of facilities, equipment, or other assets</td>
</tr>
<tr>
<td>(iv)</td>
<td>Reimbursement arrangements</td>
</tr>
<tr>
<td>(v)</td>
<td>Loans or loan guarantees</td>
</tr>
<tr>
<td>(vi)</td>
<td>Performance of services or membership or fundraising solicitations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Line no</th>
<th>Amount involved</th>
<th>Name of noncharitable exempt organization</th>
<th>Description of transfers, transactions, and sharing arrangements</th>
</tr>
</thead>
</table>

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

<table>
<thead>
<tr>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(a)</th>
<th>Name of organization</th>
<th>(b)</th>
<th>Type of organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c)</td>
<td>Description of relationship</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N/A
## MOUNTAIN ASSOCIATION FOR COMMUNITY ECONO

### FORM 990

**RENTAL INCOME**

<table>
<thead>
<tr>
<th>KIND AND LOCATION OF PROPERTY</th>
<th>ACTIVITY NUMBER</th>
<th>GROSS RENTAL INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISCELLANEOUS RENTALS</td>
<td>1</td>
<td>8,920.</td>
</tr>
</tbody>
</table>

**TOTAL TO FORM 990, PART I, LINE 6A**

|              |              | 8,920.              |

---

**FORM 990**

**OTHER CHANGES IN NET ASSETS OR FUND BALANCES**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELIMINATE LOSS OF SUB</td>
<td>&lt;1,041.&gt;</td>
</tr>
</tbody>
</table>

**TOTAL TO FORM 990, PART I, LINE 20**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1,041.&gt;</td>
</tr>
</tbody>
</table>

---

**FORM 990**

**OTHER EXPENSES**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>(A) TOTAL</th>
<th>(B) PROGRAM SERVICES</th>
<th>(C) MANAGEMENT AND GENERAL</th>
<th>(D) FUNDRAISING</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSURANCE</td>
<td>1,672.</td>
<td>1,304.</td>
<td>368.</td>
<td></td>
</tr>
<tr>
<td>BAD DEBTS</td>
<td>5,504.</td>
<td>5,504.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSULTANTS</td>
<td>45,249.</td>
<td>42,987.</td>
<td>2,262.</td>
<td></td>
</tr>
<tr>
<td>DATA SERVICES</td>
<td>19,889.</td>
<td>17,900.</td>
<td>1,989.</td>
<td></td>
</tr>
<tr>
<td>COMPUTER SUPPLIES</td>
<td>1,610.</td>
<td>1,320.</td>
<td>290.</td>
<td></td>
</tr>
<tr>
<td>REPAIRS AND MAINTENANCE</td>
<td>4,605.</td>
<td>4,006.</td>
<td>599.</td>
<td></td>
</tr>
<tr>
<td>TAX, LICENSES, FILING FEES</td>
<td>1,848.</td>
<td></td>
<td>1,848.</td>
<td></td>
</tr>
<tr>
<td>PROMOTION</td>
<td>868.</td>
<td>781.</td>
<td>87.</td>
<td></td>
</tr>
<tr>
<td>LOSS ON PROGRAM INVESTMENT</td>
<td>109,588.</td>
<td>109,588.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL TO FORM 990, LN 43**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>190,833.</td>
<td>183,390.</td>
<td>7,443.</td>
</tr>
</tbody>
</table>

**STATEMENT(S) 1, 2, 3**
## Description of Program Service One

Provides comprehensive support to the Appalachian community by enhancing employment and living conditions in the area. Major programs consist of business development, entrepreneurship and sustainable communities.

<table>
<thead>
<tr>
<th>Grants</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>192,230.</td>
<td>820,582.</td>
</tr>
</tbody>
</table>

### Form 990 - Cash Grants and Allocations

<table>
<thead>
<tr>
<th>Classification</th>
<th>Donee's Name</th>
<th>Donee's Address</th>
<th>Donee's Relationship</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Donees</td>
<td></td>
<td></td>
<td>None</td>
<td>5,230.</td>
</tr>
<tr>
<td>ReLoan Program</td>
<td>Appalachian</td>
<td>427 Chestnut,</td>
<td>Affiliate</td>
<td>187,000.</td>
</tr>
<tr>
<td></td>
<td>Investment Corp.</td>
<td>Berea, KY</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total included on Form 990, Part II, Line 22: 192,230.

### Form 990 - Other Investments

<table>
<thead>
<tr>
<th>Description</th>
<th>Valuation Method</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Subsidiary</td>
<td>Cost</td>
<td>322,001.</td>
</tr>
<tr>
<td>Other Investments</td>
<td>Cost</td>
<td>661,514.</td>
</tr>
</tbody>
</table>

Total to Form 990, Part IV, Line 56, Column B: 983,515.
### Form 990

#### Other Assets

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>295.</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>4,462.</td>
</tr>
</tbody>
</table>

**Total to Form 990, Part IV, Line 58, Column B**

<table>
<thead>
<tr>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,757.</td>
</tr>
</tbody>
</table>

#### Other Expenses Not Included on Form 990

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate Loss From Sub</td>
<td>1,041.</td>
</tr>
</tbody>
</table>

**Total to Form 990, Part IV-B**

<table>
<thead>
<tr>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,041.</td>
</tr>
</tbody>
</table>

#### Identification of Related Organizations

**Part VI, Line 80B**

<table>
<thead>
<tr>
<th>NAME OF ORGANIZATION</th>
<th>EXEMPT</th>
<th>NONEXEMPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ridgecrest Enterprises, Inc.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Appalachian Investment Corporation (AIC)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**Statement(s) 7, 8, 9**
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Date Acquired</th>
<th>Cost Basis</th>
<th>Dep Life</th>
<th>Date of Removal</th>
<th>Date of Disposal</th>
<th>Dep Expense</th>
<th>Accr Expense</th>
<th>Dep</th>
<th>Accr</th>
<th>Dep</th>
<th>Accr</th>
</tr>
</thead>
<tbody>
<tr>
<td>407</td>
<td>Hotel</td>
<td>09/10/2000</td>
<td>15,000.00</td>
<td>6.00</td>
<td>04/10/2002</td>
<td></td>
<td>6,000.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>408</td>
<td>Total Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>501</td>
<td>HP LaserJet 1000</td>
<td>02/01/2001</td>
<td>600.00</td>
<td>5.00</td>
<td>04/30/2002</td>
<td></td>
<td>300.00</td>
<td>600.00</td>
<td>600.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Computer Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>603</td>
<td>2 Computers</td>
<td>03/10/2000</td>
<td>950.00</td>
<td>5.00</td>
<td>04/30/2000</td>
<td></td>
<td>475.00</td>
<td>950.00</td>
<td>950.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>860.925</td>
<td>Total Computer Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>Office Furniture &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>2500</td>
<td>03/15/1998</td>
<td>300.00</td>
<td>5.00</td>
<td>04/30/2002</td>
<td></td>
<td>150.00</td>
<td>300.00</td>
<td>300.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Application for Extension of Time to File an Exempt Organization Return

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

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

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

Note: For Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only. All other corporations including Form 990-C filers must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print

Name of Exempt Organization: MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT, INC.

Employer Identification number: 31-0900246

File by the due date for filing your return. See instructions.

Number, street, and room or suite no. If a PO box, see instructions:

433 CHESTNUT STREET

City, town or post office, state, and ZIP code. For a foreign address, see instructions:

BEREA, KY 40403

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

Form 990: [X] Form 990-T (corporation) [ ] Form 4720
Form 990-B/L: [ ] Form 990-T (sec 401(a) or 408(a) trust) [ ] Form 5227
Form 990-EZ: [ ] Form 990-T (trust other than above) [ ] Form 6069
Form 990-PF: [ ] Form 1041-A [ ] Form 8870

If the organization does not have an office or place of business in the United States, check this box.

If this is 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 of the extension will cover.

1. I request an automatic 3-month (6-month, for 990-T corporation) extension of time until DECEMBER 15, 2003 to file the exempt organization return for the organization named above. The extension is for the organization’s return for:
   [X] calendar year (or)
   [ ] tax year beginning MAY 1, 2002 and ending APR 30, 2003.

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

3a. If this application is for Form 990-B/L, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See Instructions.

3b. If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.

3c. Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTDS (Electronic Federal Tax Payment System). See Instructions.

Signature and Verification

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

Signature: [Signature]

Date: 9/12/03

LHA: CPA: Date: 9/12/03

Form 8868 (12-2000)