

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

2001**Open to Public Inspection****A For the 2001 calendar year, or tax year beginning****, 2001, and ending****, 20****B** Check if applicable☐ Address change☐ Name change☐ Initial return☐ Final return☐ Amended return☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization

Appalachian Research & Defense Fund of KY, Inc

Number and street (or PO box if mail is not delivered to street address)

120 North Front Street

Room/suite

City or town, state or country and ZIP + 4

Prestonsburg, KY 41653

D Employer identification number

61-0848948

E Telephone number

(606) 886-3876

F Accounting method☐ Cash☒ Accrual☐ Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and **I** are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes" enter number of affiliates ▶ N/A**H(c)** Are all affiliates included? ☐ Yes ☐ No

(If "No" attach a list See instructions)

N/A

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Enter 4-digit GEN ▶**M** Check ☐ if the organization is not required to attach Sch B (Form 990, 990-EZ or 990-PF)**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶

3,802,148

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support		1a	826,748	
	b	Indirect public support		1b		
	c	Government contributions (grants)		1c	2,932,749	
	d	Total (add lines 1a through 1c) (cash \$ 3,759,497 noncash \$ 0)		1d	3,759,497	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)		2	13,995	
	3	Membership dues and assessments		3		
	4	Interest on savings and temporary cash investments		4	26,236	
	5	Dividends and interest from securities		5		
	6a	Gross rents		6a	2,400	
b	Less rental expenses		6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)		6c	2,400		
7	Other investment income (describe ▶)		7			
Expenses	8a	Gross amount from sales of assets other than inventory		(A) Securities	8a	20
	b	Less cost or other basis and sales expenses		8b	0	
	c	Gain or (loss) (attach schedule)		8c	20	
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))		8d	20	
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)		9a		
	b	Less direct expenses other than fundraising expenses		9b		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)		9c	0	
	10a	Gross sales of inventory, less returns and allowances		10a		
	b	Less cost of goods sold		10b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		10c	0		
11	Other revenue (from Part VII, line 103)		11	0		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12	3,802,148		
Net Assets	13	Program services (from line 44, column (B))		13	3,320,914	
	14	Management and general (from line 44, column (C))		14	393,836	
	15	Fundraising (from line 44, column (D))		15	0	
	16	Payments to affiliates (attach schedule)		16	0	
	17	Total expenses (add lines 16 and 44, column (A))		17	3,714,750	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)		18	87,398	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	758,130	
	20	Other changes in net assets or fund balances (attach explanation)		20		
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	845,528	

25

614

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22				
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25	Compensation of officers, directors, etc	25				
26	Other salaries and wages	26				
27	Pension plan contributions	27				
28	Other employee benefits	28				
29	Payroll taxes	29				
30	Professional fundraising fees	30				
31	Accounting fees	31				
32	Legal fees	32				
33	Supplies	33				
34	Telephone	34				
35	Postage and shipping	35	SEE AUDITED STATEMENT OF FUNCTIONAL EXPENSES ATTACHED			
36	Occupancy	36				
37	Equipment rental and maintenance	37				
38	Printing and publications	38				
39	Travel	39				
40	Conferences, conventions, and meetings	40				
41	Interest	41				
42	Depreciation, depletion, etc (attach schedule)	42				
43	Other expenses not covered above (itemize) a _____	43a				
b _____		43b				
c _____		43c				
d _____		43d				
e _____		43e				
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	3,714,750	3,320,914	393,836	0

Joint Costs Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)What is the organization's primary exempt purpose? Legal services for the poor & elderly
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)**Program Service Expenses**
(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others.)

a	<u>Legal services for the poor and elderly - served approximately 5,400 persons during 2001.</u>				
	(Grants and allocations \$ _____)		41,612		3,279,302
b	_____				
	(Grants and allocations \$ _____)				
c	_____				
	(Grants and allocations \$ _____)				
d	_____				
	(Grants and allocations \$ _____)				
e	Other program services (attach schedule) (Grants and allocations \$ _____)				
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				3,279,302

Part IV Balance Sheets (See Specific Instructions on page 24)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45 Cash — non-interest-bearing		45	
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b		47c
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments — securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	Liabilities	55a Investments — land, buildings, and equipment basis	55a	
b Less accumulated depreciation (attach schedule)		55b		55c
56 Investments — other (attach schedule)			56	
57a Land, buildings, and equipment basis		57a		
b Less accumulated depreciation (attach schedule)		57b		57c
58 Other assets (describe <input type="checkbox"/>) SEE AUDITED STATEMENT OF FINANCIAL POSITION			58	
59 Total assets (add lines 45 through 58) (must equal line 74)		1,427,230	59	1,567,978
60 Accounts payable and accrued expenses			60	
61 Grants payable			61	
62 Deferred revenue			62	
Net Assets or Fund Balances	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
	66 Total liabilities (add lines 60 through 65)	669,100	66	722,450
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	100,829	67	114,497
	68 Temporarily restricted	657,301	68	731,031
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	758,130	73	845,528	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	1,427,230	74	1,567,978	

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)

a Total revenue, gains, and other support per audited financial statements	a 3,808,298
b Amounts included on line a but not on line 12, Form 990	
(1) Net unrealized gains on investments \$	
(2) Donated services and use of facilities \$ 6,150	
(3) Recoveries of prior year grants \$	
(4) Other (specify)	
\$	
Add amounts on lines (1) through (4)	b 6,150
c Line a minus line b	c 3,802,148
d Amounts included on line 12, Form 990 but not on line a	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify)	
\$	
Add amounts on lines (1) and (2)	d 0
e Total revenue per line 12, Form 990 (line c plus line d)	e 3,802,148

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

a Total expenses and losses per audited financial statements	a 3,720,900
b Amounts included on line a but not on line 17, Form 990	
(1) Donated services and use of facilities \$ 6,150	
(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify)	
\$	
Add amounts on lines (1) through (4)	b 6,150
c Line a minus line b	c 3,714,750
d Amounts included on line 17, Form 990 but not on line a	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify)	
\$	
Add amounts on lines (1) and (2)	d 0
e Total expenses per line 17, Form 990 (line c plus line d)	e 3,714,750

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
John Rosenberg Prestonsburg, KY 41653	President 37.5	81,625	4,712	0
Karen Alfano Hazard, KY 41701	Vice-Pres. 37.5	47,175	2,688	0
Diane Fish Prestonsburg, KY 41653	Sec./Treas. 37.5	34,725	2,030	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes ☐ No ☒

If "Yes," attach schedule — see Specific Instructions on page 27

Part VI Other Information (See Specific Instructions on page 27)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	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?	80a	X
b If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	X
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?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	6,150
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year			
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed		N/A
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	65
91	The books are in care of		Larry York, President
	Telephone no		(606) 886-3876
	Located at		Prestonsburg, KY
	ZIP + 4		41653-7832
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 — Check here		N/A
	and enter the amount of tax-exempt interest received or accrued during the tax year	92	

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Attorney Fees & Costs					
b Awarded by Court					13,995
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					26,236
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					2,400
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					20
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					42,651
105 Total (add line 104, columns (B), (D), and (E))					42,651

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

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

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

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

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

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

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

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

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

Please Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Randy H. York

Date

15-14-02

Date Check if Preparer's SSN or PTIN (See Gen. Inst. W)

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information — (See separate instructions)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2001

Name of the organization

Appalachian Research & Defense Fund of KY, Inc.

Employer identification number

61-0848948

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Steve Sanders	Directing Atty.			
	37.5	58,150	3,347	0
Ira Newman	Directing Atty.			
	37.5	58,000	3,706	0
Addison Parker	Directing Atty.			
	37.5	54,425	3,142	0
Deborah Spring	Directing Atty.			
	37.5	51,450	2,933	0
Larry York	Interim Director			
	37.5	62,975	3,739	0
Total number of other employees paid over \$50,000 ▶	1			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ

Schedule A (Form 990 or 990-EZ) 2001

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)	1 X	
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		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

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

- The organization is not a private foundation because it is (Please check only **ONE** applicable box)
- 5** ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6** ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7** ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** ☐ A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9** ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b** ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12** ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions — subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

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

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	3,473,217	3,412,745	3,074,028	2,833,645	12,793,635
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	43,253	41,030	50,878	56,163	191,324
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	3,516,470	3,453,775	3,124,906	2,889,808	12,984,959
24 Line 23 minus line 17	3,516,470	3,453,775	3,124,906	2,889,808	12,984,959
25 Enter 1% of line 23	35,168	34,538	31,249	28,898	

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	26a	259,699
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		26b	0
c Total support for section 509(a)(1) test Enter line 24, column (e)		26c	12,984,959
d Add Amounts from column (e) for lines 18 <u>191,324</u> 19 <u> </u> 22 <u> </u> 26b <u>0</u>		26d	191,324
e Public support (line 26c minus line 26d total)		26e	12,793,635
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	99 %

27 Organizations described on line 12 **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return Enter the sum of such amounts for each year
 (2000) (1999) (1998) (1997)

b For any amount included in line 17 that was received from each person (other than "disqualified person"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year
 (2000) (1999) (1998) (1997)

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

d Add Line 27a total and line 27b total

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

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) **27f**

g Public support percentage (line 27e (numerator) divided by line 27f (denominator))

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

27c	
27d	
27e	
27g	%
27h	N/A %

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the grant, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

Part V**Private School Questionnaire (See page 7 of the instructions)****(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31	
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** ☐ if the organization belongs to an affiliated group Check **b** ☐ if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

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

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

Caution If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

N/A

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)	X		
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		2,269
i Total lobbying expenditures (Add lines c through h)			2,269

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

*

* SCHEDULE ATTACHED

Schedule A (Form 990 or 990-EZ) 2001

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

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

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

(1) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

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

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

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

[illegible]

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

► ☐ Yes ☒ No

b If "Yes," complete the following schedule

[illegible]

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2001

Name of organization

Employer identification number

Appalachian Research & Defense Fund of KY, Inc.

61-0848948

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

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

General Rule —

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

Special Rules —

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

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

Name of organization

Appalachian Research & Defense Fund of KY, Inc.

Employer identification number

61-0848948

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	- - -	\$ <u>128,068</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>	- - -	\$ <u>432,325</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>3</u>	- - -	\$ <u>150,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>4</u>	- - -	\$ <u>2,181,122</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	- - -	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	- - -	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

APPALACHIAN RESEARCH and DEFENSE FUND OF KY, INC
FORM 990

SCHEDULE A - PART VI - B

Lobbying Activity by Nonelecting Public Charities

Program staff provided written and oral comments to the Kentucky Department of Medicaid in connection with medicaid notices In addition program staff contacted State Legislators regarding funding for Legal Service Programs in Kentucky

· APPALACHIAN RESEARCH AND DEFENSE FUND OF KENTUCKY, INC
STATEMENTS OF FUNCTIONAL EXPENSES

· For the year ended December 31, 2001 with comparative amounts for 2000

	Program Services	Supporting Services	2001	2000
Salaries	\$ 1,905,638	\$ 211,738	\$ 2,117,376	\$ 2,132,646
Employee benefits	636,924	70,769	707,693	696,224
Space and occupancy	83,272	9,253	92,525	84,481
Equipment rental and maintenance	54,995	6,111	61,106	63,976
Consumable supplies	91,550	16,156	107,706	116,573
Utilities	25,393	2,822	28,215	28,561
Telephone	78,471	8,719	87,190	86,313
Travel and training	70,516	7,835	78,351	85,682
Library expenses	73,118	8,124	81,242	80,710
Insurance	28,898	1,521	30,419	29,678
Dues and fees	13,403	705	14,108	13,535
Contract services	29,486	24,126	53,612	17,529
Litigation	9,055	0	9,055	12,121
Sub-grants	53,653	0	53,653	41,660
Private bar payments	75,859	0	75,859	78,946
Depreciation	90,661	10,073	100,734	76,084
Loss on sale of equipment	0	0	0	12,820
Miscellaneous	6,172	15,884	22,056	28,325
	<u>\$ 3,327,064</u>	<u>\$ 393,836</u>	<u>\$ 3,720,900</u>	<u>\$ 3,685,864</u>
Less: Donated Services	<u>(6,150)</u>		<u>(6,150)</u>	
Total Functional Expenses	<u>\$ 3,320,914</u>	<u>\$ 393,836</u>	<u>\$ 3,714,750</u>	

The accompanying notes are an integral part of these financial statements

APPALACHIAN RESEARCH AND DEFENSE FUND OF KENTUCKY, INC
STATEMENTS OF FINANCIAL POSITION
December 31, 2001 and 2000

	2001	2000
ASSETS		
Current assets		
Cash	\$ 752,403	\$ 539,861
Client escrow funds	4,714	5,012
Investments - certificates of deposit	157,287	178,167
Receivables	136,223	149,833
Prepaid expenses and other assets	33,344	18,095
Total current assets	1,083,971	890,968
Property and equipment, net	484,007	536,262
TOTAL ASSETS	\$ 1,567,978	\$ 1,427,230
LIABILITIES		
Current liabilities		
Accounts payable	\$ 51,594	\$ 46,770
Accrued expenses	209,457	195,196
Employee withholdings payable	38,400	25,825
Client trust deposits	4,714	5,012
Deferred support	360,679	336,790
Current maturities - note & lease payables	17,401	15,896
Total current liabilities	682,245	625,489
Non-current liabilities		
Note payable	34,724	38,143
Leases payable	22,882	21,364
Less current maturities	(17,401)	(15,896)
Total non-current liabilities	40,205	43,611
TOTAL LIABILITIES	722,450	669,100
NET ASSETS		
Unrestricted	114,497	100,829
Temporarily restricted		
Legal Services Corporation - grant	105,222	89,942
Legal Services Corporation - property	370,590	395,703
	475,812	485,645
Non-LSC - grant	199,408	90,604
Non-LSC - property	55,811	81,052
	255,219	171,656
Total Temporarily Restricted	731,031	657,301
Total Net Assets	845,528	758,130
TOTAL LIABILITIES AND NET ASSETS	\$ 1,567,978	\$ 1,427,230

The accompanying notes are an integral part of these financial statements