

**Return of Organization Exempt From Income Tax**

**2004**

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

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

**A For the 2004 calendar year, or tax year beginning** 07/01, 2004, and ending 06/30, 2005

- 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.	<b>C Name of organization</b> FEDERATION OF APPALACHIAN HOUSING ENTERPRISES, INC.		<b>D Employer identification number</b> 31-0986871
	Number and street (or P O box if mail is not delivered to street address) Room/suite 106 PASCO STREET		<b>E Telephone number</b> 859-986-2321
	City or town state or country, and ZIP + 4 BEREA, KY 40403		<b>F Accounting method:</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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).

**G Website:** ▶ WWW.FAHE.ORG

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  4947(a)(1) or  527

**K Check here** ▶  If the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data Some states require a complete return.

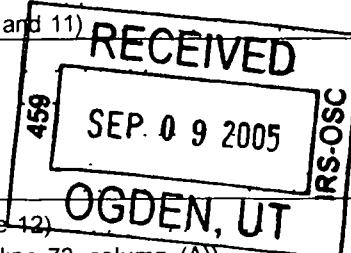
- H and I are not applicable to section 527 organizations*
- H(a)** Is this a group return for affiliates?  Yes  No
- H(b)** If "Yes," enter number of affiliates ▶ \_\_\_\_\_
- H(c)** Are all affiliates included?  Yes  No  
(If "No," attach a list See instructions )
- H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No
- I Group Exemption Number** ▶ \_\_\_\_\_

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 3,110,288

**M Check** ▶  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support . . . . .	<b>1a</b>	563,340		
	<b>b</b> Indirect public support . . . . .	<b>1b</b>			
	<b>c</b> Government contributions (grants) . . . . .	<b>1c</b>	1,425,630		
	<b>d Total</b> (add lines 1a through 1c) (cash \$1,988,970 noncash \$ _____ )	<b>1d</b>		1,988,970	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		196,050	
	<b>3</b> Membership dues and assessments . . . . .	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments . . . . .	<b>4</b>		41,975	
	<b>5</b> Dividends and interest from securities . . . . .	<b>5</b>			
	<b>6a</b> Gross rents . . . . .	<b>6a</b>	9,780		
	<b>b</b> Less rental expenses . . . . .	<b>6b</b>			
	<b>c Net rental income or (loss)</b> (subtract line 6b from line 6a)	<b>6c</b>		9,780	
<b>7</b> Other investment income (describe ▶ INTEREST ON NOTES )	<b>7</b>		629,549		
<b>8a</b> Gross amount from sales of assets other than inventory . . . . .	(A) Securities		(B) Other		
	<b>8a</b>	253,431			
	<b>b</b> Less cost or other basis and sales expenses	<b>8b</b>	262,898		
	<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>	(9,467)		
<b>d Net gain or (loss)</b> (combine line 8c, columns (A) and (B)) . . . . .	<b>8d</b>		(9,467)		
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here ▶ <input type="checkbox"/>					
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a) . . . . .	<b>9a</b>				
<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>				
<b>c Net income or (loss)</b> from special events (subtract line 9b from line 9a)	<b>9c</b>		0		
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>				
<b>b</b> Less cost of goods sold . . . . .	<b>10b</b>				
<b>c Gross profit or (loss)</b> from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		0		
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>		0		
<b>12 Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		2,856,857		
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	1,704,819		
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	265,832		
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>	55,014		
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17 Total expenses</b> (add lines 13 and 14, column (A))	<b>17</b>		2,025,665	
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		831,192	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		13,390,419	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>			
	<b>21 Net assets or fund balances at end of year</b> (combine lines 18, 19, and 20)	<b>21</b>			14,221,611



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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 page 22 of the instructions.)

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			
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	SEE STATEMENT I	43b	2,025,665	1,704,819	265,832
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	2,025,665	1,704,819	265,832

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_ and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments (See page 25 of the instructions)**

What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> TECHNICAL SERV. TO MEMBER 501(C)3 ORGS.		Program Service Expenses
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.)		(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a	TO PROVIDE PERMANENT, YET AFFORDABLE FINANCING FOR HOUSING TO LOW INCOME INDIVIDUALS. FAHE ALSO PROVIDES TECHNICAL SERVICES TO MEMBER ORGANIZATIONS. APPROXIMATELY 75 FAMILIES AND 25 MEMBER ORGS. SERVED. (Grants and allocations \$ _____)	1,704,819
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)	1,704,819

**Part IV Balance Sheets** (See page 25 of the instructions )

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				(A) Beginning of year		(B) End of year
<b>Assets</b>	45	Cash—non-interest-bearing		2,380,879	45	2,110,855
	46	Savings and temporary cash investments			46	
	47a	Accounts receivable	101,952			
	b	Less: allowance for doubtful accounts		53,068	47c	101,952
	48a	Pledges receivable				
	b	Less: allowance for doubtful accounts			48c	0
	49	Grants receivable		179,926	49	117,139
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)	26,927,921			
	b	Less allowance for doubtful accounts	592,994	24,338,242	51c	26,334,927
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		17,338	53	28,291
	54	Investments—securities (attach schedule) <span style="float: right;">▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV</span>			54	
	55a	Investments—land, buildings, and equipment: basis	965,968			
	b	Less accumulated depreciation (attach schedule)		763,944	55c	965,968
56	Investments—other (attach schedule)			56		
57a	Land, buildings, and equipment: basis	439,953				
b	Less accumulated depreciation (attach schedule)		309,542	57c	302,496	
58	Other assets (describe ▶ <u>ACCRUED INTEREST REC.</u> )		142,753	58	173,029	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		28,185,692	59	30,134,657	
<b>Liabilities</b>	60	Accounts payable and accrued expenses		117,280	60	179,053
	61	Grants payable			61	
	62	Deferred revenue			62	
	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)		14,515,563	64b	15,565,732
65	Other liabilities (describe ▶ <u>CLIENT ADV. &amp; DEPOSITS</u> )		162,430	65	168,261	
66	<b>Total liabilities</b> (add lines 60 through 65)		14,795,273	66	15,913,046	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		4,716,877	67	4,993,459
	68	Temporarily restricted		8,673,542	68	9,228,152
	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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		13,390,419	73	14,221,611
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		28,185,692	74	30,134,657

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 page 27 of the instructions.)

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

a	Total revenue, gains, and other support per audited financial statements	a	2,856,857
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		
(3)	Recoveries of prior year grants		
(4)	Other (specify):		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	2,856,857
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	2,856,857

a	Total expenses and losses per audited financial statements	a	2,025,665
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities		
(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	0
c	Line a minus line b	c	2,025,665
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	2,025,665

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 of the instructions.)

(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
JIM KING BEREA, KY	EXEC. DIR 40	64,813	1,944	0
JOHN H. THESING BEREA, KY	TREASURER 30	0	0	0
SARA MORGAN BEREA, KY	SECRETARY 5	0	0	0
JANAKA CASPER VIRGINIA	CHAIR 2	0	0	0
DONNIE PROFITT KENTUCKY	VICE CHAIR 2	0	0	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 page 28 of the instructions



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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a LOAN ORIGINATION FEES					115,672
b PROGRAM ADMINISTRATION INCOME					80,378
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . . . .					
97 Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory					
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)) . . . . .		0		0	196,050
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					196,050

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	LOAN ORIGINATION FEES ARE CHARGES TO COVER GENERAL & ADMIN. COSTS
93B	PROGRAM ADMIN. INCOME IS USED TO PAY FOR GENERAL COSTS OF PROGRAMS

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

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

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

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
  - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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.

Date 9-2-05

TREASURER



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

	Yes	No
<p>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 i of Part VI-B.)</p> <p>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.</p>		X
<p>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.)</p>		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

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

The organization is not a private foundation because it is (Please check only **ONE** applicable box )

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

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

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

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,058,864	1,447,574	2,633,603	1,860,110	8,000,151
<b>16</b> Membership fees received					0
<b>17</b> 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					0
<b>18</b> 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	663,110	649,331	549,843	700,306	2,562,590
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> 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					0
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
<b>23</b> Total of lines 15 through 22	2,721,974	2,096,905	3,183,446	2,560,416	10,562,741
<b>24</b> Line 23 minus line 17	2,721,974	2,096,905	3,183,446	2,560,416	10,562,741
<b>25</b> Enter 1% of line 23	27,220	20,969	31,834	25,604	

<b>26 Organizations described on lines 10 or 11:</b>	<b>a</b> Enter 2% of amount in column (e), line 24	▶	<b>26a</b>	
<b>b</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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		▶	<b>26b</b>	
<b>c</b> Total support for section 509(a)(1) test: Enter line 24 column (e)		▶	<b>26c</b>	
<b>d</b> Add Amounts from column (e) for lines:	18 _____ 19 _____			
	22 _____ 26b _____	▶	<b>26d</b>	
<b>e</b> Public support (line 26c minus line 26d total)		▶	<b>26e</b>	
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶	<b>26f</b>	%

**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

(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

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

(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

<b>c</b> Add Amounts from column (e) for lines	15 <u>8,000,151</u>	16 _____			
	17 <u>0</u>	20 <u>0</u>	21 _____		
				▶	<b>27c</b> 8,000,151
<b>d</b> Add Line 27a total	<u>0</u>	and line 27b total	<u>0</u>	▶	<b>27d</b> 0
<b>e</b> Public support (line 27c total minus line 27d total)				▶	<b>27e</b> 8,000,151
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e)				▶	<b>27f</b> 10,562,741
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))				▶	<b>27g</b> 75.74 %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				▶	<b>27h</b> 24.26 %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

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

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

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

Check  a  if the organization belongs to an affiliated group. Check  b  if you checked "a" and "limited control" provisions apply

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

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(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 11 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

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

Yes	No	Amount
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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



FEDERATION OF APPALACHIAN HOUSING ENTERPRISES, INC  
 FEDERAL STATEMENTS  
 JUNE 30, 2005

Statement I  
 Form 990, Page 2, Part II Line  
 Other Expenses

	Total Program Expenses	General and Administrative Expenses	Fundraising Expenses	Total Expenses
Salaries and wages	\$ 358,214	\$ 136,335	\$ 40,099	\$ 534,648
Fringe benefits and payroll taxes	103,925	39,554	11,633	155,112
Vehicle expense	26,677	13,139	-	39,816
Professional fees	84,909	18,166	-	103,075
Loan expense	38,246	-	-	38,246
Pass-through grants to members	518,669	-	-	518,669
Travel and meetings	25,269	16,846	-	42,115
Telephone	11,215	6,464	1,012	18,691
Insurance	10,403	-	-	10,403
Occupancy	3,953	3,360	593	7,906
Supplies	6,358	5,279	932	12,569
Repairs and maintenance	2,671	2,596	75	5,342
Postage	4,466	3,796	670	8,932
Program income administration	-	-	-	-
HOME administrative expense	-	-	-	-
Administrative expense	-	-	-	-
Bad debt expense	91,000	-	-	91,000
Interest	327,050	-	-	327,050
Depreciation	22,899	11,278	-	34,177
Home subsidy	37,012	-	-	37,012
Miscellaneous	31,883	9,019	-	40,902
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,704,819</b>	<b>\$ 265,832</b>	<b>\$ 55,014</b>	<b>\$ 2,025,665</b>