

**Exempt Organization Business
Income Tax Return** (and proxy tax under Section 6033(e))

For calendar year 2002 or other tax year beginning 7/01, 2002,
and ending 6/30, 2003

2002

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under Section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Please Print or Type COMMUNITY ACTION, INC. MILL CREEK CENTER, 105 GRACE WAY PUNXSUTAWNEY, PA 15767-1209</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D.) 25-1156265</p> <p>E New unrelated business activity codes (See instructions for Block E.) 541500</p>	<p>C Book value of all assets at end of year 1,573,615.</p> <p>F Group exemption number (see instructions for Block F) . ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>
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H Describe the organization's primary unrelated business activity.
 ▶ **COMPUTER SALES**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsiidiary controlled group? . . . ▶ Yes No
 If 'Yes,' enter the name and identifying number of the parent corporation . . . ▶

J The books are in care of . ▶ **BETTY LOWMASTER** Telephone number . ▶ **(814) 938-3302**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	4,397.			
b Less returns and allowances				
c Balance ▶		4,397.		
2 Cost of goods sold (Schedule A, line 7)		1,939.		
3 Gross profit (subtract line 2 from line 1c)		2,458.		2,458.
4 a Capital gain net income (attach Schedule D)				
b Net gain (loss) (Form 4797, Part II, line 18) (attach Form 4797)				
c Capital loss deduction for trusts				
5 Income (loss) from partnerships and S corporations (attach statement)				
6 Rent income (Schedule C)				
7 Unrelated debt-financed income (Schedule E)				
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)				
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)				
10 Exploited exempt activity income (Schedule I)				
11 Advertising income (Schedule J)				
12 Other income (see instructions – attach schedule)				
13 Total (combine lines 3 through 12)		2,458.	0.	2,458.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)				
14 Compensation of officers, directors, and trustees (Schedule K)				
15 Salaries and wages				1,146.
16 Repairs and maintenance				
17 Bad debts				
18 Interest (attach schedule)				
19 Taxes and licenses				
20 Charitable contributions (see instructions for limitation rules)				95.
21 Depreciation (attach Form 4562)	21	270.		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a			270.
23 Depletion				
24 Contributions to deferred compensation plans				
25 Employee benefit programs				
26 Excess exempt expenses (Schedule I)				89.
27 Excess readership costs (Schedule J)				
28 Other deductions (attach schedule)				
29 Total deductions (add lines 14 through 28)				1,622.
30 Unrelated business taxable income before net operating loss deduction (subtract line 29 from line 13)				3,222.
31 Net operating loss deduction				-764.
32 Unrelated business taxable income before specific deduction (subtract line 31 from line 30)				-764.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)				
34 Unrelated business taxable income (subtract line 33 from line 32). If line 33 is greater than line 32, enter the smaller of zero or line 32				-764.

Part III Tax Computation

35 Organizations Taxable as Corporations (see instructions for tax computation)
 Controlled group members (sections 1561 and 1563) — check here . See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____
b Enter organization's share of: (1) additional 5% tax (not more than \$11,750) \$ _____
 (2) additional 3% tax (not more than \$100,000) \$ _____
c Income tax on the amount on line 34 **35 c** 0.

36 Trusts Taxable at Trust Rates (see instructions for tax computation) Income tax on the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) **36**

37 Proxy tax (see instructions) **37**

38 Alternative minimum tax **38**

39 Total (add lines 37 and 38 to line 35c or 36, whichever applies) **39** 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40 a**

b Other credits (see instructions) **40 b**

c General business credit — Check here and indicate which forms are attached:
 Form 3800 Form(s) (specify) ▶ _____ **40 c**

d Credit for prior year minimum tax (attach Form 8801 or 8827) **40 d**

e Total credits (add lines 40a through 40d) **40 e** 0.

41 Subtract line 40e from line 39 **41** 0.

42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866
 Other (attach schedule) **42**

43 Total tax (add lines 41 and 42) **43** 0.

44 Payments: a 2001 overpayment credited to 2002 **44 a**
 b 2002 estimated tax payments **44 b**
 c Tax deposited with Form 8868 **44 c**
 d Foreign organizations — Tax paid or withheld at source (see instructions) **44 d**
 e Backup withholding (see instructions) **44 e**
 f Other credits and payments (see instructions) **44 f**

45 Total payments (add lines 44a through 44f) **45** 0.

46 Estimated tax penalty (see instructions). Check if Form 2220 is attached **46**

47 Tax due — If line 45 is less than the total of lines 43 and 46, enter amount owed **47**

48 Overpayment — If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48**

49 Enter the amount of line 48 you want: Credited to 2003 estimated tax ▶ _____ Refunded ▶ **49**

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2002 calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? **Yes** **No**
 If 'Yes,' the organization may have to file Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country here
 _____ **X**

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? **Yes** **No**
 If 'Yes,' see the instructions for other forms the organization may have to file. **X**

3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0. **Yes** **No**

Schedule A — Cost of Goods Sold (See instructions)

Method of inventory valuation (specify) ▶ LOWER OF COST OR MARKET

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2	1,939.	7 Cost of goods sold. Subtract line 6 from line 5. (Enter here and on line 2, Part I.)	7	1,939.
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (attach schedule)	4 a			X	
b Other costs (attach sch)	4 b				X
5 Total — Add lines 1 through 4b	5	1,939.			

Sign Here

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

Signature of officer _____ Date _____ Title _____

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

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN P00069201

Firm's name (or yours if self-employed) address, and ZIP code
 STAMBAUGH NESS, PC
 2600 EASTERN BLVD., SUITE 101
 YORK, PA 17402

EIN 23-2846715

Phone number (717) 757-6999

Schedule C – Rent Income (from Real Property and Personal Property Leased with Real Property) (see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
Total income (Add totals of columns 2(a) and 2(b). Enter here and on line 6, column (A), Part I, page 1.)		Total deductions. Enter here and on line 6, column (B), Part I, page 1.

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)				
(2)				
(3)				
(4)				
Totals			Enter here and on line 7, column (A), Part I, page 1	Enter here and on line 7, column (B), Part I, page 1
Total dividends-received deductions included in column 8				

Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

Exempt Controlled Organizations					
1 Name of Controlled Organization	2 Employer Identification Number	3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
12 Totals			Add columns 5 and 10. Enter here and on line 8, column (A), Part I, page 1.	Add columns 6 and 11. Enter here and on line 8, column (B), Part I, page 1.	

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (See instructions.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on line 9, column (A), Part I, page 1.			Enter here and on line 9, column (B), Part I, page 1.

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (See instructions.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Column totals	Enter here and on line 10, column (A), Part I, page 1.	Enter here and on line 10, column (B), Part I, page 1.				Enter here and on line 26, Part II, page 1.

Schedule J – Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Column totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Column totals, Part II	Enter here and on line 11, column (A), Part I, page 1.	Enter here and on line 11, column (B), Part I, page 1.				Enter here and on line 27, Part II, page 1.

Schedule K – Compensation of Officers, Directors, and Trustees (See instructions.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
Total – Enter here and on line 14, Part II, page 1			

Application for Extension of Time to file an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each 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: *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 File by the due date for filing your return. See instructions.	Name of Exempt Organization		Employer identification number
	COMMUNITY ACTION, INC.		25-1156265
	Number, street, and room or suite number. If a P.O. box, see instructions		
	MILL CREEK CENTER, 105 GRACE WAY		
City, town or post office. For a foreign address, see instructions.			state ZIP code
PUNXSUTAWNEY, PA 15767-1209			

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

- | | | |
|--------------------------------------|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input checked="" type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (Section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box.
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until 5/15, 20 04, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year 20____ or
- ▶ tax year beginning 7/01, 20 02, and ending 6/30, 20 03.

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-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0.

b 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. \$ 0.

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.

Signature and Verification

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, and that I am authorized to prepare this form.

Signature ▶ Paul G. Hein Title ▶ CPA Date ▶ 10/31/03

BAA For Paperwork Reduction Act Notice, see instructions.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions.
▶ Attach to your tax return.

Name(s) shown on return
COMMUNITY ACTION, INC.

Identifying number
25-1156265

Business or activity to which this form relates

FORM 990-T

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$24,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election (see instructions).	15	
16	Other depreciation (including ACRS) (see instructions).	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2002.	17	270.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	270.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

2002

FEDERAL STATEMENTS

PAGE 1

CLIENT 30044

COMMUNITY ACTION, INC.

25-1156265

2/06/04

09:03AM

STATEMENT 1
FORM 990-T, PART II, LINE 28
OTHER DEDUCTIONS

ACCOUNTING FEES.....	\$	103.
FISCAL SERVICES.....		549.
INFORMATION TECHNOLOGY.....		353.
INSURANCE.....		57.
OFFICE SPACE.....		214.
POSTAGE.....		65.
PRINTING\COPYING.....		8.
SUPPLIES.....		3.
TELEPHONE.....		183.
TRAVEL EXPENSE.....		87.
TOTAL	\$	<u>1,622.</u>

STATEMENT 2
FORM 990-T, PART II, LINE 31
NET OPERATING LOSS DEDUCTION

LOSS YEAR ENDING	ORIGINAL LOSS	LOSS PREVIOUSLY USED	LOSS AVAILABLE
6/30/91	\$ 8,352.	\$ 3,267.	\$ 5,085.
6/30/93	25,032.	0.	25,032.
6/30/94	19,187.	0.	19,187.
6/30/96	11,832.	0.	11,832.
6/30/97	10,343.	0.	10,343.
6/30/99	3,048.	0.	3,048.
6/30/00	2,729.	0.	2,729.
NET OPERATING LOSS AVAILABLE.....			\$ 77,256.
TAXABLE INCOME.....			\$ -764.
NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....			<u>\$ 0.</u>