

2002

Form **990-PF**

**Return of Private Foundation**

Department of the Treasury  
Internal Revenue Service

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation  
Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2002, or tax year beginning 07/01, 2002, and ending 06/30/2003

G Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of organization: **THE MARK ELLIOTT MOTLEY FOUNDATION, INC.**

Number and street (or P.O. box number if mail is not delivered to street address): **C/O DOUGLAS D. KUGLEY**

Room/suite: **P. O. BOX 7**

City or town, state, and ZIP code: **MOUNT PLEASANT, SC 29465-0007**

A Employer identification number: **27-0013752**

B Telephone number (see page 10 of the instructions): **(843) 216-9467**

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **2,789,372.**

J Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
 (Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here

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

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

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule). Check <input type="checkbox"/> if the foundation is not required to attach Sch. B	2,065,536.			STMT 1
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	43,009.	43,009.		STMT 2
	5a Gross rents				
	b (Net rental income or (loss))				
	6a Net gain or (loss) from sale of assets not on line 10	655,383.			
	b Gross sales price for all assets on line 5a	1,085,517.			
	7 Capital gain net income (from Part IV, line 2)		655,383.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	2,763,928.	698,392.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	NONE			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	2,436.	NONE	NONE	NONE
	b Accounting fees (attach schedule)	1,960.	NONE	NONE	NONE
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 13 of the instructions)	7,500.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	10,285.	8,635.		
	24 Total operating and administrative expenses. Add lines 13 through 23	22,181.	8,635.	NONE	NONE
	25 Contributions, gifts, grants paid	10,000.			10,000.
26 Total expenses and disbursements. Add lines 24 and 25	32,181.	8,635.	NONE	10,000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	2,731,747.				
b Net investment income (if negative, enter -0-)		689,757.			
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash - non-interest-bearing	5,979.	7,651.	7,651.
	2	Savings and temporary cash investments	NONE	432,014.	432,014.
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule)			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U.S. and state government obligations (attach schedule) <b>STMT 7</b>	NONE	600,000.	609,376.
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule) <b>STMT 8</b>	NONE	1,698,061.	1,740,331.
	11	Investments - land, buildings, and equipment, basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule)				
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe )				
16	<b>Total assets</b> (to be completed by all filers - see page 16 of the instructions. Also, see page 1, item I)	5,979.	2,737,726.	2,789,372.	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe )			
23	<b>Total liabilities</b> (add lines 17 through 22)				
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/>				
	<b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	<b>Organizations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg, and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds	5,979.	2,737,726.		
30	<b>Total net assets or fund balances</b> (see page 16 of the instructions)	5,979.	2,737,726.		
31	<b>Total liabilities and net assets/fund balances</b> (see page 16 of the instructions)	5,979.	2,737,726.		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,979.
2	Enter amount from Part I, line 27a	2	2,731,747.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,737,726.
5	Decreases not included in line 2 (itemize)	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	2,737,726.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a SEE PART IV SCHEDULE</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2 Capital gain net income or (net capital loss) . . . . .</b>		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		<b>2</b> 655,383.
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):</b>		{ If gain, also enter in Part I, line 8, column (c) (see pages 12 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }		<b>3</b>

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

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

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

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? . . .  Yes  No  
 If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

**1** Enter the appropriate amount in each column for each year; see page 17 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2001	NONE	250.	NONE
2000			
1999			
1998			
1997			
<b>2 Total of line 1, column (d) . . . . .</b>			<b>2</b> NONE
<b>3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .</b>			<b>3</b> NONE
<b>4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5 . . . . .</b>			<b>4</b> 1,985,812.
<b>5 Multiply line 4 by line 3 . . . . .</b>			<b>5</b> NONE
<b>6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .</b>			<b>6</b> 6,898.
<b>7 Add lines 5 and 6 . . . . .</b>			<b>7</b> 6,898.
<b>8 Enter qualifying distributions from Part XII, line 4 . . . . .</b>			<b>8</b> 10,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 17.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 17 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here [ ] and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary - see instructions)
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here [X] and enter 1% of Part I, line 27b
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
3 Add lines 1 and 2
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-
6 Credits/Payments:
a 2002 estimated tax payments and 2001 overpayment credited to 2002
b Exempt foreign organizations - tax withheld at source
c Tax paid with application for extension of time to file (Form 8868)
d Backup withholding erroneously withheld
7 Total credits and payments. Add lines 6a through 6d
8 Enter any penalty for underpayment of estimated tax. Check here [ ] if Form 2220 is attached
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid
11 Enter the amount of line 10 to be: Credited to 2003 estimated tax 602 Refunded

Part VII-A Statements Regarding Activities

1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)?
c Did the organization file Form 1120-POL for this year?
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the organization. \$ NONE (2) On organization managers. \$ NONE
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. \$ NONE
2 Has the organization engaged in any activities that have not previously been reported to the IRS?
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments?
4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?
b If "Yes," has it filed a tax return on Form 990-T for this year?
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:
• By language in the governing instrument or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?
7 Did the organization have at least \$5,000 in assets at any time during the year?
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) SOUTH CAROLINA
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G?
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV on page 25)?
10 Did any persons become substantial contributors during the tax year?
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
Web site address WWW.MOTLEYFOUNDATION.ORG
12 The books are in care of DOUGLAS D. KUGLEY Telephone no. 843-216-9466
Located at 28 BRIDGESIDE BLVD, RM564B, MT PLEASANT, SC ZIP+4 29465
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 13

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

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

1 a During the year did the organization (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official?
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)?
c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002?
b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3 a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period?
4 a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002?
5 a During the year did the organization pay or incur any amount to:
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)?
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?
6 a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 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 and deferred compensation	(e) Expense account other allowances
SEE STATEMENT 10		NONE	-0-	-0-

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 20 of the instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
NONE				

Total number of other employees paid over \$50,000 . . . . . ► NONE

**3 Five highest-paid independent contractors for professional services - (see page 20 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services . . . . . ► NONE

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 21 of the instructions)

	Amount
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	
1 <u>NONE</u>	
2	
All other program-related investments. See page 21 of the instructions.	
3 <u>NONE</u>	
<b>Total.</b> Add lines 1 through 3	

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 21 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1 a	1,368,791.
b Average of monthly cash balances	1 b	647,262.
c Fair market value of all other assets (see page 22 of the instructions)	1 c	NONE
d <b>Total</b> (add lines 1 a, b, and c)	1 d	2,016,053.
e Reduction claimed for blockage or other factors reported on lines 1 a and 1 c (attach detailed explanation)	1 e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1 d	3	2,016,053.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 22 of the instructions)	4	30,241.
5 <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,985,812.
6 <b>Minimum investment return.</b> Enter 5% of line 5	6	99,291.

**Part XI Distributable Amount** (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	99,291.
2 a Tax on investment income for 2002 from Part VI, line 5	2 a	6,898.
b Income tax for 2002. (This does not include the tax from Part VI.)	2 b	
c Add lines 2 a and 2 b	2 c	6,898.
3 Distributable amount before adjustments. Subtract line 2 c from line 1	3	92,393.
4 a Recoveries of amounts treated as qualifying distributions	4 a	NONE
b Income distributions from section 4947(a)(2) trusts	4 b	
c Add lines 4 a and 4 b	4 c	NONE
5 Add lines 3 and 4 c	5	92,393.
6 Deduction from distributable amount (see page 23 of the instructions)	6	NONE
7 <b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	92,393.

**Part XII Qualifying Distributions** (see page 23 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1 a	10,000.
b Program-related investments - Total from Part IX-B	1 b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3 a	NONE
b Cash distribution test (attach the required schedule)	3 b	NONE
4 <b>Qualifying distributions.</b> Add lines 1 a through 3 b. Enter here and on Part V, line 8, and Part XIII, line 4	4	10,000.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	6,898.
6 <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	3,102.

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

**Part XIII Undistributed Income** (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7 . . . . .				92,393.
2 Undistributed income, if any, as of the end of 2001:				
a Enter amount for 2001 only . . . . .			2.	
b Total for prior years <u>2000</u> . . . . .		NONE		
3 Excess distributions carryover, if any, to 2002:				
a From 1997 . . . . .	NONE			
b From 1998 . . . . .	NONE			
c From 1999 . . . . .	NONE			
d From 2000 . . . . .	NONE			
e From 2001 . . . . .	NONE			
f Total of lines 3a through e . . . . .	NONE			
4 Qualifying distributions for 2002 from Part XII, line 4: ▶ \$ <u>10,000</u> . . . . .				
a Applied to 2001, but not more than line 2a . . . . .			2.	
b Applied to undistributed income of prior years (Election required - see page 24 of the instructions) . . . . .		NONE		
c Treated as distributions out of corpus (Election required - see page 24 of the instructions) . . . . .	NONE			
d Applied to 2002 distributable amount . . . . .				9,998.
e Remaining amount distributed out of corpus . . . . .	NONE			
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d), the same amount must be shown in column (a).) . . . . .	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .		NONE		
d Subtract line 6c from line 6b. Taxable amount - see page 24 of the instructions . . . . .		NONE		
e Undistributed income for 2001. Subtract line 4a from line 2a. Taxable amount - see page 24 of the instructions . . . . .				
f Undistributed income for 2002. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2003 . . . . .				82,395.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 24 of the instructions) . . . . .	NONE			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see page 25 of the instructions) . . . . .	NONE			
9 Excess distributions carryover to 2003. Subtract lines 7 and 8 from line 6a . . . . .	NONE			
10 Analysis of line 9:				
a Excess from 1998 . . . . .	NONE			
b Excess from 1999 . . . . .	NONE			
c Excess from 2000 . . . . .	NONE			
d Excess from 2001 . . . . .	NONE			
e Excess from 2002 . . . . .	NONE			

**Part XIV Private Operating Foundations** (see page 25 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling . . . . .

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

	Tax year				(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
b 85% of line 2a . . . . .					
c Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
d Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets . . . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

**Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 25 of the instructions.)**

1 Information Regarding Foundation Managers:

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

RONALD L. MOTLEY

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

NONE

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

Check here  if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds if the organization makes gifts, grants, etc. (see page 25 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

SEE STATEMENT 11

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

SEE STATEMENT 12

c Any submission deadlines:

APPLICATIONS SHOULD GENERALLY BE RECEIVED BY MARCH 1ST.

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

**Part XV** Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a <i>Paid during the year</i></p> <p><b>SEE STATEMENT 13</b></p>				
<b>Total . . . . .</b>				<b>▶ 3a 10,000.</b>
<p>b <i>Approved for future payment</i></p>				
<b>Total . . . . .</b>				<b>▶ 3b</b>





**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
37,499.		3,000 SHS CISCO SYSTEMS INC. PROPERTY TYPE: SECURITIES 21,149.				D	02/26/1997	11/04/2002
							16,350.	
28,490.		1,019 SHS HOME DEPOT INC. PROPERTY TYPE: SECURITIES 7,429.				D	03/31/1992	11/04/2002
							21,061.	
113,235.		4,050 SHS HOME DEPOT INC. PROPERTY TYPE: SECURITIES 38,323.				D	10/03/1994	11/04/2002
							74,912.	
35,571.		2,173 SHS LIMITED BRANDS INC. PROPERTY TYPE: SECURITIES 21,858.				D	07/31/1997	11/04/2002
							13,713.	
37,814.		2,310 SHS LIMITED BRANDS INC. PROPERTY TYPE: SECURITIES 23,173.				D	07/31/1997	11/04/2002
							14,641.	
75,627.		4,620 SHS LIMITED BRANDS INC. PROPERTY TYPE: SECURITIES 40,873.				D	10/27/1997	11/04/2002
							34,754.	
129,996.		4,000 SHS METTLER-TOLEDO INTL INC. PROPERTY TYPE: SECURITIES 85,500.				D	07/28/1998	11/04/2002
							44,496.	
9,628.		294 SHS METTLER-TOLEDO INTL INC. PROPERTY TYPE: SECURITIES 7,121.				D	07/28/1998	11/04/2002
							2,507.	
160,995.		5,000 SHS METTLER-TOLEDO INTL INC. PROPERTY TYPE: SECURITIES 106,875.				D	07/28/1998	11/04/2002
							54,120.	
180,795.		3,200 SHS MICROSOFT CORP COM PROPERTY TYPE: SECURITIES 18,303.				D	11/24/1992	11/04/2002
							162,492.	
181,563.		3,200 SHS MICROSOFT CORP COM PROPERTY TYPE: SECURITIES 17,178.				D	07/08/1993	11/04/2002
							164,385.	

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold	
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)		
52,052.		17,559.				D	07/23/1997	11/04/2002	
							34,493.		
16,574.		7,055.				D	05/10/1996	03/12/2003	
							9,519.		
109.		47.				D	03/13/1996	03/12/2003	
							62.		
218.		100.				D	06/12/1996	03/12/2003	
							118.		
327.		148.				D	09/11/1996	03/12/2003	
							179.		
18,209.		12,693.				D	08/19/1998	03/12/2003	
							5,516.		
6,815.		4,750.				D	08/19/1998	03/12/2003	
							2,065.		
<b>TOTAL GAIN (LOSS)</b> .....								655,383.	
								=====	

**Schedule of Contributors**

**2002**

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

Name of organization  <b>THE MARK ELLIOTT MOTLEY FOUNDATION, INC.</b>	Employer identification number  <b>27-0013752</b>
---	---

Organization type (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

- 501(c)( ) (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).

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3)) -

List in Part I each contributor whose contributions total more than \$1,000 during the year that were for a religious, charitable, etc., purpose. To determine the \$1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received **any** charitable contributions and listed **any** charitable contributors on Part I must also complete Part III.

If a section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list **any** charitable contributors on Part I, check the box on line **A** at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

## Specific Instructions

**Note:** You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.

**Part I.** In column (a), identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year, and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

**Part II.** In column (a), show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

**Part III.** Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes must complete Parts I through III for those persons whose gifts totaled more than \$1,000 during the year. Show also, in the heading of Part III, total gifts that were \$1,000 or less and were for a religious, charitable, etc., purpose. Complete this information only on the first Part III page.

If an amount is set aside for a religious, charitable, etc., purpose, show in column (d) how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

Name of organization

Employer identification number

THE MARK ELLIOTT MOTLEY FOUNDATION, INC.

27-0013752

**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	RONALD L. MOTLEY  P.O. BOX 7  MOUNT PLEASANT, SC 29465-0007	1,634,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	RONALD L. MOTLEY  P.O. BOX 7  MOUNT PLEASANT, SC 29465-0007	1,026,317.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



FORM 990PF, PART I - CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED

NAME AND ADDRESS	DATE	DIRECT PUBLIC SUPPORT
RONALD L. MOTLEY P. O. BOX 7 MOUNT PLEASANT, SC 29465-0007	Various	1,634,500.
RONALD L. MOTLEY P. O. BOX 7 MOUNT PLEASANT, SC 29465-0007	Various	430,136.
VARIOUS <\$250 EACH	Various	900.
TOTAL CONTRIBUTION AMOUNTS		2,065,536.

TOTAL CONTRIBUTION AMOUNTS

2,065,536.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES  
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
MERRILL LYNCH	43,009.	43,009.
TOTAL	43,009.	43,009.

FORM 990PF, PART I - LEGAL FEES  
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
EVANS CARTER KUNES & BENNETT GENERAL CORPORATE COUNSEL	2,436.			
TOTALS	2,436.	NONE	NONE	NONE

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
MCKNIGHT FRAMPTON & CO	1,960.			
FORM 990-PF PREPARATION				
TOTALS	1,960.	NONE	NONE	NONE

MCKNIGHT FRAMPTON & CO  
FORM 990-PF PREPARATION

TOTALS

1,960.

1,960.

NONE

NONE

NONE

FORM 990PF, PART I - TAXES  
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
ESTIMATED TAXES PAID	7,500.
	-----
TOTALS	7,500.
	=====

FORM 990PF, PART I - OTHER EXPENSES  
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
BANK SERVICE CHARGES	32.	32.
COMPUTER SUPPORT	1,650.	
INVESTMENT FEES	8,388.	8,388.
AMORTIZATION EXPENSE	215.	215.
TOTALS	10,285. =====	8,635. =====

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
MERRILL LYNCH - GOV'T BONDS	NONE	600,000.	609,376.
TOTALS	NONE	600,000.	609,376.

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
MERRILL LYNCH- CD'S	NONE	196,000.	196,846.
MERRILL LYNCH- CORPORATE BONDS	NONE	1,502,061.	1,532,882.
MERRILL LYNCH- ACCRUED INT.	NONE	NONE	10,603.
TOTALS	NONE	1,698,061.	1,740,331.

FORM 990PF, PART VII-A - NEW SUBSTANTIAL CONTRIBUTORS

NAME AND ADDRESS	DATE	DIRECT PUBLIC SUPPORT
RONALD L. MOTLEY P.O. BOX 7 MOUNT PLEASANT, SC 29465-0007		1,634,500.
RONALD L. MOTLEY P.O. BOX 7 MOUNT PLEASANT, SC 29465-0007		430,136.
TOTAL CONTRIBUTION AMOUNTS		2,064,636.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION
RONALD L. MOTLEY P.O. BOX 7 MT. PLEASANT, SC 29465	CHAIRMAN AS REQ'D	NONE
DOUGLAS D. KUGLEY P.O. BOX 7 MT. PLEASANT, SC 29465	PRESIDENT/TREASURER AS REQ'D	NONE
ALLISON T. SELANDER P.O. BOX 7 MT. PLEASANT, SC 29465	VICE PRES/SECRETARY AS REQ'D	NONE

GRAND TOTALS  
 -----  
 NONE  
 =====

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS  
=====

DOUGLAS D. KUGLEY, PRESIDENT, P. O. BOX 7, MT. PLEASANT, SC 29465,  
843-216-9466

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS  
=====

QUALIFIED CHARITIES SHOULD MAKE A PROPOSAL IN LETTER FORM AND INCLUDE THE FOLLOWING INFORMATION:

- 1) A DESCRIPTION OF THE ORGANIZATION, ITS PURPOSE, PROGRAMS, STAFFING AND GOVERNING BOARD.
- 2) THE ORGANIZATION'S LATEST FINANCIAL STATEMENTS, INCLUDING INTERIM AND LAST ANNUAL STATEMENT.
- 3) EVIDENCE FROM THE IRS OF THE ORGANIZATION'S TAX-EXEMPT STATUS AND THAT THE APPLYING ORGANIZATION ITSELF IS NOT A PRIVATE FOUNDATION.
- 4) A DESCRIPTION OF THE PROPOSED PROJECT AND FULL JUSTIFICATION FOR ITS FUNDING, INCLUDING A PROJECT BUDGET AND OTHER FUNDING SOURCES OF THE PROJECT.
- 5) SUBMIT TWO COPIES OF THE PROPOSAL.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

RECIPIENT NAME AND ADDRESS

FROM DARKNESS TO LIGHT  
247 MEETING STREET  
CHARLESTON, SC 29401

NONE  
501 (C) (3) ORGANIZATION

PREVENTION OF CHILD ABUSE

10,000.

TOTAL CONTRIBUTIONS PAID

10,000.

The Mark Motley Foundation, Inc.

EIN # 27-0013752

Form 990-PF (Year ended June 30, 2003)

Attachment to Schedule B (Part II - Noncash Property)

Shares	Description	Date Transferred to Foundation	FMV at date of transfer
3,000	CISCO SYSTEMS INC	10/30/02	32,460.00
1,019	HOME DEPOT INC	10/30/02	29,927.38
4,050	HOME DEPOT INC	10/30/02	119,709.50
2,173	LIMITED INC	10/30/02	33,688.38
2,310	LIMITED INC	10/30/02	35,092.07
4,620	LIMITED INC	10/30/02	71,587.81
9,294	METTLER-TOLEDO INTL	10/30/02	276,496.50
3,200	MICROSOFT CORP	10/30/02	168,032.00
3,200	MICROSOFT CORP	10/30/02	168,032.00
1,983	WATERS CORP	10/30/02	49,475.85
2	JOHNSON&JOHNSON	03/07/03	107.91
304	JOHNSON&JOHNSON	03/07/03	16,402.32
4	JOHNSON&JOHNSON	03/07/03	215.82
6	JOHNSON&JOHNSON	03/07/03	323.73
334	JOHNSON&JOHNSON	03/07/03	18,020.97
125	JOHNSON&JOHNSON	03/07/03	6,744.38
			<u>1,026,316.62</u>

Statement 14

FEDERAL FOOTNOTES  
=====PART XV, LINE 2D --  
=====

THE MAIN PLANNED ACTIVITY IS TO MAKE GRANTS TO ORGANIZATIONS FOCUSED ON IMPROVING THE HEALTH, EDUCATION AND WELFARE OF CHILDREN AND YOUNG ADULTS IN THE COMMUNITY OF CHARLESTON, SOUTH CAROLINA ALTHOUGH DUE TO THE FOUNDER'S NATIONAL INTERESTS, GRANTS MAY WELL BE MADE TO ORGANIZATIONS OUTSIDE THE COMMUNITY.

THE FOUNDATION HAS NOT DETERMINED SPECIFIC CHARITABLE ORGANIZATIONS TO SUPPORT, BUT CONCEPTUALLY SUCH ORGANIZATIONS MAY INCLUDE HOSPITALS, ORGANIZATIONS ASSISTING HANDICAPPED CHILDREN, RESIDENTIAL TREATMENT CENTERS, SCHOOLS, COLLEGES, GOVERNMENTS PROVIDING RECREATION AND AFTER-SCHOOL PROGRAMS, UNWED MOTHER PROGRAMS, ABUSED CHILDREN FACILITIES, AND ADOPTION PROGRAMS.