

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2001

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the 2001 calendar year, or tax year beginning 07/01/01, 2001, and ending 06/30/02, 20

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Wall Watchers

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

2514 Plantation Center Drive

City or town, state or country, and ZIP + 4

Matthews, NC 28105

D Employer identification number

56 2091339

E Telephone number

(704) 841-7828

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

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

G Web site: ▶ www.wallwatchers.org

J Organization type (check only one) ☒ 501(c) (3) (insert no.) ☐ 4947(a)(1) or ☐ 527K 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 Enter 4-digit GEN ▶

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 513,240

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 Specific Instructions on page 16.)

1 Contributions, gifts, grants, and similar amounts received:					
a	Direct public support	1a		449,265	
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 449,265 noncash \$ 0)	1d		449,265	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		914	
5	Dividends and interest from securities	5		40	
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		0	
7	Other investment income (describe ▶)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		63,021	8a	0	
b	Less: cost or other basis and sales expenses	96,939	8b	0	
c	Gain or (loss) (attach schedule) Stmt 1	-33,918	8c	0	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))		8d		-33,918
9	Special events and activities (attach schedule)				
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		0	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		0	
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		416,301	
13	Program services (from line 44, column (B))	13		288,673	
14	Management and general (from line 44, column (C))	14		120,489	
15	Fundraising (from line 44, column (D))	15		11,674	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		420,836	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		-4,535	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		180,828	
20	Other changes in net assets or fund balances (attach explanation) Stmt 2	20		30,481	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		206,774	

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form 990 (2001)

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____ 0)	0			
23	Specific assistance to individuals (schedule)	0			
24	Benefits paid to or for members (schedule)	0			
25	Compensation of officers, directors, etc.	49,628	28,377	11,038	10,213
26	Other salaries and wages	205,857	147,781	58,076	
27	Pension plan contributions	0			
28	Other employee benefits	25,363	17,389	6,954	1,020
29	Payroll taxes	18,018	11,356	5,872	790
30	Professional fundraising fees	0			
31	Accounting fees	4,600		4,600	
32	Legal fees	920		920	
33	Supplies	7,216	1,397	5,796	23
34	Telephone	6,436	4,793	1,433	210
35	Postage and shipping	975	38	937	
36	Occupancy	5,921	3,739	1,962	220
37	Equipment rental and maintenance	0			
38	Printing and publications	1,799		1,334	465
39	Travel	2,628	1,335	1,057	236
40	Conferences, conventions, and meetings	549		549	
41	Interest	0			
42	Depreciation, depletion, etc. (schedule) Stmt 3	51,283	47,717	3,110	456
43	Other expenses not covered above (itemize): a See Statement 4	39,643	24,751	16,851	-1,959
b	See Statement 4				
c					
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	420,836	288,673	120,489	11,674

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 Specific Instructions on page 24.)What is the organization's primary exempt purpose? **Stewardship education and empowerment**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)
a See Statement 5	
(Grants and allocations \$ _____)	
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)	288,673

Part IV Balance Sheets (See Specific Instructions on page 24.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing	14,583	45	16,838
	46 Savings and temporary cash investments	36,732	46	146,986
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	0
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	0
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule).	51a		
	b Less: allowance for doubtful accounts	51b	51c	0
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	5,229	53	3,133
	54 Investments—securities (schedule) Stmt 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	47,271	54	6,635
	55a Investments—land, buildings, and equipment: basis	55a		
b Less: accumulated depreciation (attach schedule).	55b	55c	0	
56 Investments—other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 45,452			
b Less: accumulated depreciation (attach schedule). Stmt 7	57b 31,768	57c	13,684	
58 Other assets (describe ▶ See Statement 8)	79,553	58	39,613	
59 Total assets (add lines 45 through 58) (must equal line 74)	205,481	59	226,889	
Liabilities	60 Accounts payable and accrued expenses	12,239	60	16,556
	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)		64b	
	65 Other liabilities (describe ▶ See Statement 9)	12,414	65	3,559
66 Total liabilities (add lines 60 through 65)	24,653	66	20,115	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	180,828	67	206,774
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).	180,828	73	206,774
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	205,481	74	226,889

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

Part IV-A

Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26.)

a	Total revenue, gains, and other support per audited financial statements . . ▶	a	482,782
b	Amounts included on line a but not on line 12, Form 990:		
	(1) Net unrealized gains on investments . . \$ -42,299		
	(2) Donated services and use of facilities \$ 36,000		
	(3) Recoveries of prior year grants . . . \$		
	(4) Other (specify):		
 \$		
	Add amounts on lines (1) through (4) ▶	b	-6,299
c	Line a minus line b ▶	c	489,081
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):		
	PY unrealized los		
 \$ -72,780		
	Add amounts on lines (1) and (2) ▶	d	-72,780
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	416,301

Part IV-B

Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements . . . ▶	a	456,836
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$ 36,000		
(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	36,000
c	Line a minus line b ▶	c	420,836
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	420,836

Part V

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

[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **►** ☐ Yes ☒ No
If "Yes," attach schedule—see Specific Instructions on page 27.

Part VI Other Information (See Specific Instructions on page 27.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a description of each activity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a Enter direct or indirect political expenditures. See line 81 instructions 81a 0		
b Did the organization file Form 1120-POL for this year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 36,000		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
84a Did the organization solicit any contributions or gifts that were not tax deductible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members 85c		
d Section 162(e) lobbying and political expenditures 85d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a		
b Gross receipts, included on line 12, for public use of club facilities. 86b		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders. 87a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	<input checked="" type="checkbox"/>	<input type="checkbox"/>
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text"/> 0 ; section 4912 <input type="text"/> 0 ; section 4955 <input type="text"/> 0		
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. <input type="text"/> 0		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization. <input type="text"/> 0		
90a List the states with which a copy of this return is filed <input type="text"/> NC		
b Number of employees employed in the pay period that includes March 12, 2001 (See instructions.) 90b 10		
91 The books are in care of <input type="text"/> Chris Hempe Telephone no. <input type="text"/> () 704-841-7828 Located at <input type="text"/> 2514 Plantation Center Drive, Matthews, NC ZIP + 4 <input type="text"/> 28105		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="text"/> 92		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)**Note:** Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue:					
a						
b						
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			14	914	
96	Dividends and interest from securities			14	40	
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			18	-33,918	
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		-32,964	0
105	Total (add line 104, columns (B), (D), and (E))					-32,964

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
1	See Statement 11

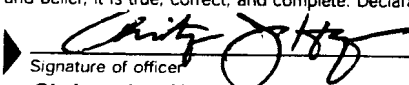
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

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

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

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

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

Please 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 officer) is based on all information of which preparer has any knowledge.	
	 Signature of officer Christopher Hempe, President Type or print name and title.	11/4/2002 Date
Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4 _____ _____ _____	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See Gen. Inst. W) EIN _____ Phone no. _____



SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2001

Name of the organization

Wall Watchers

Employer identification number

56 : 2091339

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

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

Total number of other employees paid over \$50,000 ▶

0

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

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

Total number of others receiving over \$50,000 for professional services ▶

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		✓
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?	✓	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
See Statement 13		
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)		✓
4 Do you have a section 403(b) annuity plan for your employees?	✓	
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

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

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

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	65,415	25,000	505,002		595,417
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					0
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	9,542	15,388	18,142		43,072
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	53,774	368,185	38,437	0	460,396 Stmt 14
23 Total of lines 15 through 22.	128,731	408,573	561,581	0	1,098,885
24 Line 23 minus line 17.	128,731	408,573	561,581	0	1,098,885
25 Enter 1% of line 23	1,287	4,086	5,616	0	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. ▶				26a	21,978
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶				26b	486,046
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶				26c	1,098,885
d Add: Amounts from column (e) for lines: 18 <u>43,072</u> 19 <u>0</u> 22 <u>460,396</u> 26b <u>486,046</u> ▶				26d	989,514
e Public support (line 26c minus line 26d total) ▶				26e	109,371
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶				26f	10 %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2000) (1999) (1998) (1997) b For any amount included in line 17 that was received from each person (other than "disqualified 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: (2000) (1999) (1998) (1997) c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶				27c	
d Add: Line 27a total _____ and line 27b total _____ ▶				27d	
e Public support (line 27c total minus line 27d total). ▶				27e	
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e). ▶				27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). ▶				27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶				27h	%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the 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
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31	
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

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

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

Limits on Lobbying Expenditures		(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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount.				
46	Lobbying ceiling amount (150% of line 45(e)).				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		✓	
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.)			0

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

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

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

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

[illegible]

b Other transactions:

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

(ii) Purchases of assets from a noncharitable exempt organization

[illegible]

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

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

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

[illegible]

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule:

[illegible]

Statement 1

Form: 990

Page: 1

Part: I

Question: 8

Wall Watchers**56-2091339****Sales of Assets Other than Inventory**

Publicly Traded Securities**Description:** Stocks and Mutual Funds**Sales Price:** \$63,021.00**Date Sold:****Sold To:****Expense of Sale:** \$0.00**Cost or value when acquired:** \$96,939.00**Date acquired:****How acquired:****Depreciation since acquisition:****Net Sale:** **-\$33,918.00**

Statement 2

Form: 990

Page: 1

Part: I

Question: 20

Wall Watchers**56-2091339****Other changes in Net Assets or Fund Balances**

Explanation	Amount
Unrealized G/(L) on Investments Held @ 6/30/02	-\$42,299.00
Reverse Unrealized (G)/L on Inv Held @ 6/30/01	\$72,780.00
Total:	\$30,481.00

Form: 990
Page: 2
Part: II
Question: 42

Depreciation and Depletion								
Asset		Date Acquired	Method	Life Yr/Mo	Cost or Basis	Acc. Depr. (Start)	Current Deprec.	Acc. Depr. (End)
1	Office Equipment	07/01/1998	SL	3-10 yrs	\$6,989.00	\$1,479.00	\$1,775.00	\$3,254.00
2	Computers	07/01/1998	SL	3 yrs	\$26,537.00	\$13,271.00	\$6,743.00	\$20,014.00
3	Office Furniture	07/01/1998	SL	5-10 yrs	\$6,187.00	\$2,006.00	\$755.00	\$2,761.00
4	Telephone System	07/01/1998	SL	3 yrs	\$5,739.00	\$3,669.00	\$2,070.00	\$5,739.00
5	System Development Costs	07/01/1998	SL	3 yrs	\$119,820.00	\$40,267.00	\$39,940.00	\$80,207.00
Total							\$51,283.00	

Statement 4

Form: 990

Page: 2

Part: II

Question: 43

Wall Watchers**56-2091339****Attachment listing other expenses for Part II**

Description	Total:	Pgm Services	Mgt and General	Fundraising
Dues and Subscriptions	\$1,533.00	\$95.00	\$1,438.00	\$0.00
Insurance	\$3,875.00	\$0.00	\$3,875.00	\$0.00
Miscellaneous	\$2,448.00	\$711.00	\$1,668.00	\$69.00
Recruitment	\$868.00	\$333.00	\$255.00	\$280.00
Employee Resources	\$313.00	\$283.00	\$0.00	\$30.00
Technology Services	\$8,181.00	\$7,526.00	\$655.00	\$0.00
Employee Training	\$1,271.00	\$273.00	\$998.00	\$0.00
Consulting	\$10,500.00	\$0.00	\$10,500.00	\$0.00
Editor	\$15,000.00	\$15,000.00	\$0.00	\$0.00
Web Site Promotion	\$4,509.00	\$4,509.00	\$0.00	\$0.00
Deferred Compensation	-\$8,855.00	-\$3,979.00	-\$2,538.00	-\$2,338.00
Total:	\$39,643.00	\$24,751.00	\$16,851.00	-\$1,959.00

Statement 5

Form: 990

Page: 2

Part: III

Question:

Wall Watchers**56-2091339****Program Services**

Achievement	Pgm. Svc. Exp.
MinistryWatch.com - Through the web site www.ministrywatch.com, Wall Watchers provides information about charities that helps donors make better-informed giving decisions. Grants and Allocations: \$0.00	\$259,806.00
thegoodsteward.com - Through the web site www.thegoodsteward.com, Wall Watchers provides a centralized source of written articles and interactive tools through which the public is encouraged and educated in the areas of Biblical stewardship. Grants and Allocations: \$0.00	\$28,867.00
Total:	\$288,673.00

Statement 6

Form: 990

Page: 3

Part: IV

Question: 54

Wall Watchers**56-2091339****Investments - Securities**

Security	Valuation Type	Amount
Publicly Traded Stocks	FMV	\$2,531.00
Mutual Funds	FMV	\$4,104.00
Total:		\$6,635.00

Statement 7

Form: 990

Page: 3

Part: IV

Question: 57

Wall Watchers**56-2091339****Schedule of Land, Buildings and Equipment**

Description	Cost	Depreciation	Book Value
Office Equipment	\$6,989.00	\$3,254.00	\$3,735.00
Computers	\$26,537.00	\$20,014.00	\$6,523.00
Office Furniture	\$6,187.00	\$2,761.00	\$3,426.00
Telephone System	\$5,739.00	\$5,739.00	\$0.00
Total:	\$45,452.00	\$31,768.00	\$13,684.00

Statement 8

Form: 990

Page: 3

Part: IV

Question: 58

Wall Watchers**56-2091339****Other Assets**

Asset Description	Amount
System Development Capitalized Cost	\$39,613.00
Total:	\$39,613.00

Statement 9

Form: 990

Page: 3

Part: IV

Question: 65

Wall Watchers**56-2091339****Other Liabilities**

Liability Description	Amount
Deferred Compensation	\$3,559.00
Total:	\$3,559.00

Statement 10

Form: 990

Page: 4

Part: V

Question:

Wall Watchers**56-2091339****Officers, Directors, Trustees, and Key Employees**

Name and Address	Title	Hrs	Comp.	Benefits	Expenses
Howard Leonard 2514 Plantation Center Drive Matthews, NC 28105	Chairman	0	\$0.00	\$0.00	\$0.00
Carolynn Leonard 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Mark Long 2514 Plantation Center Drive Matthews, NC 28105	Brd, Pres (thru 12/31)	0	\$40,539.00	\$0.00	\$0.00
Warren Smith 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Missy Smith 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Jeff Everett 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Gillian Everett 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Charlie Noble 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Lynn Noble 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Jerry Ledzinski 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Martina Ledzinski 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Bernie Lawrence 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Pat Lawrence 2514 Plantation Center Drive Matthews, NC 28105	Board Member	0	\$0.00	\$0.00	\$0.00
Steve Maye 2514 Plantation Center Drive	Board Member	0	\$0.00	\$0.00	\$0.00

Name and Address	Title	Hrs	Comp.	Benefits	Expenses
Matthews, NC 28105					
Christopher Hempe 2514 Plantation Center Drive Matthews, NC 28105	Pres (as of 2/18/02)	50	\$47,802.00	\$0.00	\$0.00

Statement 12

Form: 990

Page: None

Part: None

Question: None

Wall Watchers**56-2091339****Additional Explanations**

Additional Explanations

Deferred Compensation

The Organization has deferred compensation agreements with certain of its employees. Under the terms of these agreements, each of these employees will receive the value of an individual investment account established for their benefit upon the fifth anniversary of the start of their employment. Each of these employees has discretion over the management of their individual investment account prior to the vesting date. The value of these investment accounts is recorded as expense over the vesting period of each employee. Forfeitures are shown as reductions to expense. The net expense related to these deferred compensation agreements was \$(8,855) for the year ended June 30, 2002. This amount is included in Part II, Line 43 (Statement 4).

Officers, Directors, and Key Employees

The Organization experienced a change in leadership during the fiscal year ended June 30, 2002. Mark Long served as a member of the Board of Directors and as President until December 31, 2001. After that date, Mr. Long continued to serve the organization as a member of the Board of Directors and as a paid consultant to the organization. The compensation amounts shown for Mr. Long in Part V (Statement 10) are related to his time as President and for his services as a paid consultant. Beginning February 18, 2002, Chris Hempe was elevated from Director of Research to President, at which time he became an Officer of the organization. The compensation amounts shown for Mr. Hempe in Part V (Statement 10) reflect the entire amount paid during the year for his service in both positions. The amount of compensation paid to Mr. Hempe for his time as President (which is included in Part II, line 25) was approximately \$17,300.

Statement 13
Form: Schedule A
Page: 2
Part: III
Question: 2

Wall Watchers
56-2091339

Transaction Explanations

Explanation of transaction in Schedule A, Part III, questions 2a - 2e

2c - Use of facility - The Chairman of Wall Watchers is the owner of the facility used by Wall Watchers to conduct its activities. This facility is made available rent-free to Wall Watchers.

2d - Payment of compensation - Wall Watchers entered into a contract with Mark Long, a current Board Member, whereby Mr. Long agreed to provide consulting services to the organization for a period of one year subsequent to his departure as President of Wall Watchers on 12/31/01. Payment for these services totaled \$10,500 and was paid in full during the fiscal year ended 6/30/02. This amount is included in the total compensation amount shown for Mr. Long in Part V (Statement 10).

Statement 14
Form: Schedule A
Page: 3
Part: IV-A
Question: 22

Wall Watchers
56-2091339

Other Income

Description	1999	1998	1997	1996
Realized G/(L) from Inv	\$53,774.00	\$368,185.00	\$38,437.00	\$0.00
Total:	\$53,774.00	\$368,185.00	\$38,437.00	\$0.00