



The Independent Source for Ministry Ratings

**FEDERAL TAX FORM 990 and SCHEDULE A
Fiscal Year ending June 30, 2001**

(Public Disclosure Copy)

Return of Organization Exempt From Income Tax

2000

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2000 calendar year, or tax year period beginning **July 1**, 2000, and ending **June 30**, 20 **01**

- B** Check if applicable:
- Change of address
 - Change of name
 - Initial return
 - Final return
 - Amended return

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 code
Matthews, NC 28105

D Employer identification number
56 ; 2091339

E Telephone number
(704) 841-7828

F Check if application pending

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

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 900-EZ).

Note: H and I are not applicable to section 527 orgs.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶ **N/A**

H(c) Are all affiliates included? Yes No **N/A**

(If "No," attach a list. See inst.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit group exemption no. (GEN) ▶

J Accounting method: Cash Accrual Other (specify) ▶

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

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	65,415		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 65,415 noncash \$ _____)	1d			65,415
	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			9,410
	5 Dividends and interest from securities	5			132
	6a Gross rents	6a			
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7 Other investment income (describe ▶ _____)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	4,189,487	8a			
	4,135,713	8b			
	53,774	8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		See Statement 2a	53,774	
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				
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			
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			128,731	
Expenses	13 Program services (from line 44, column (B))	13		305,612	
	14 Management and general (from line 44, column (C))	14		123,540	
	15 Fundraising (from line 44, column (D))	15		42,628	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17		471,780	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		(343,049)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		610,164	
	20 Other changes in net assets or fund balances (attach explanation) See Statement 8	20		(86,287)	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		180,828	

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 20.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22				
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule).	24				
25	Compensation of officers, directors, etc.	25	64,068	15,664	32,740	
26	Other salaries and wages	26	223,823	192,688	31,135	
27	Pension plan contributions	27				
28	Other employee benefits	28	23,782	23,782		
29	Payroll taxes	29	21,714	15,480	2,553	
30	Professional fundraising fees	30				
31	Accounting fees	31	7,000	7,000		
32	Legal fees	32	725	725		
33	Supplies	33	7,501	7,501		
34	Telephone	34	5,996	3,598	600	
35	Postage and shipping	35	938	134	804	
36	Occupancy	36	4,615	2,769	461	
37	Equipment rental and maintenance	37				
38	Printing and publications	38	2,013	689	1,324	
39	Travel	39	10,671	2,586	3,618	
40	Conferences, conventions, and meetings	40	1,345	945	400	
41	Interest	41				
42	Depreciation, depletion, etc. (attach schedule)	42	44,074	32,498	11,576	
43	Other expenses (itemize): a	43a				
	b See Statement 4 (Totals shown here)	43b	53,515	38,561	2,256	
	c	43c				
	d	43d				
	e	43e				
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15 .	44	471,780	305,612	123,540	42,628

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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 23.)

What is the organization's primary exempt purpose? See Statement 5		Program Service Expenses
		(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	MinistryWatch - See Statement 6 _____ _____ _____ (Grants and allocations \$ _____)	275,051
b	thegoodsteward.com - See Statement 7 _____ _____ _____ (Grants and allocations \$ _____)	30,561
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)	305,612

Part IV Balance Sheets (See Specific Instructions on page 23.)

		(A)		(B)
		Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				
Assets	45 Cash—non-interest-bearing	10,888	45	14,583
	46 Savings and temporary cash investments	454,467	46	36,732
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule).	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	3,634	53	5,229
	54 Investments—securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	70,008	54	47,271
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule).	55b	55c	
56 Investments—other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 42,538			
b Less: accumulated depreciation (attach schedule).	57b 20,425	57c	22,113	
58 Other assets (describe System Development Capitalized Cost)	69,419	58	79,553	
59 Total assets (add lines 45 through 58) (must equal line 74)	629,076	59	205,481	
Liabilities	60 Accounts payable and accrued expenses	10,174	60	12,239
	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 Deferred Compensation)	8,738	65	12,414
66 Total liabilities (add lines 60 through 65)	18,912	66	24,653	
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	610,164	67	180,828
	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 and column (B) must equal line 21)	610,164	73	180,828
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	629,076	74	205,481

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 VI Other Information (See Specific Instructions on page 26.)		N/A	Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		<input checked="" 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.	77		<input checked="" type="checkbox"/>
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		<input checked="" type="checkbox"/>
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		<input checked="" 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?	80a		<input checked="" type="checkbox"/>
b	If "Yes," enter the name of the organization ▶ _____ _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81. 81a _____ 0			
b	Did the organization file Form 1120-POL for this year?	81b		<input checked="" 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?	82a	<input checked="" 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 for reporting in Part III.) 82b _____ 32,250			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85	<i>501(c)(4), (5), or (6) organizations.</i> a Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b		
c	Dues, assessments, and similar amounts from members N/A 85c _____			
d	Section 162(e) lobbying and political expenditures N/A 85d _____			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices N/A 85e _____			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) N/A 85f _____			
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h		
86	<i>501(c)(7) orgs.</i> Enter: a Initiation fees and capital contributions included on line 12, for public use of club facilities N/A 86a _____			
b	Gross receipts, included on line 12, for public use of club facilities N/A 86b _____			
87	<i>501(c)(12) orgs.</i> Enter: a Gross income from members or shareholders N/A 87a _____			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) N/A 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	88		<input checked="" type="checkbox"/>
89a	<i>501(c)(3) organizations.</i> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____ 0 ; section 4912 ▶ _____ 0 ; section 4955 ▶ _____ 0			
b	<i>501(c)(3) and 501(c)(4) orgs.</i> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	89b		<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ _____ 0			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization. ▶ _____ 0			
90a	List the states with which a copy of this return is filed ▶ North Carolina			
b	Number of employees employed in the pay period that includes March 12, 2000 (See inst.) 90b _____ 5			
91	The books are in care of ▶ Chris Hempte Telephone no. ▶ (704) 841-7828 Located at ▶ 2514 Plantation Center Drive Matthews, NC ZIP code ▶ 28105			
92	<i>Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041</i> —Check here N/A ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 _____ N/A			

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30.)

	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	
Enter gross amounts unless otherwise indicated.					
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	9,410	
96 Dividends and interest from securities			14	132	
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	53,774	
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))				63,316	
105 Total (add line 104, columns (B), (D), and (E)).					63,316

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 31.)

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).
▼	N/A

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 31.)

- (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. (Important: See General Instruction W, on page 14.)

Signature of officer: _____ Date: 10/2/01 Type or print name and title: **Mark Long, President**

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed) and address, and ZIP code: _____ EIN: _____ Phone no.: _____



SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No. 1545-0047

2000

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

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

Name of the organization Wall Watchers	Employer identification number 56 2091339
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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 1 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

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

Part III Statements About Activities

	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 ► \$ <u> </u> N/A 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.	1	✓
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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:		
a Sale, exchange, or leasing of property?	2a	✓
b Lending of money or other extension of credit?	2b	✓
c Furnishing of goods, services, or facilities? See Statement 9	2c	✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	✓
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	✓
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	✓
4a Do you have a section 403(b) annuity plan for your employees?	4a	✓
b 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. (See page 2 of the instructions.)		

See Statement 10

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

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . ▶	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	25,000	505,002			530,002
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	15,388	18,142			33,530
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	368,185	38,437			406,622
23 Total of lines 15 through 22.	408,573	561,581			970,154
24 Line 23 minus line 17.	408,573	561,581			970,154
25 Enter 1% of line 23	4,086	5,616			9,702
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. ▶					19,403
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts. ▶					491,196
See Statement 11					
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					970,154
d Add: Amounts from column (e) for lines: 18 <u>33,530</u> 19 _____					
22 <u>406,622</u> 26b <u>491,196</u> ▶					931,348
e Public support (line 26c minus line 26d total) ▶					38,806
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					4 %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:					
(1999) _____ (1998) _____ (1997) _____ (1996) _____					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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.) 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:					
(1999) _____ (1998) _____ (1997) _____ (1996) _____					
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 on 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 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)

Part V Private School Questionnaire (See page 5 of the instructions.) N/A
 (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?		
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?		
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.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 7 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check here **a** if the organization belongs to an affiliated group.
 Check here **b** if you checked "a" above 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.	41	}
	Over \$500,000 but not over \$1,000,000 . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 9 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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 9 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c Media advertisements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
d Mailings to members, legislators, or the public	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
e Publications, or published or broadcast statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
f Grants to other organizations for lobbying purposes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
g Direct contact with legislators, their staffs, government officials, or a legislative body	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.

Statement 1 - Part V

Part V - List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Hrs/Wk</u>	<u>Compensation</u>	<u>Employee Ben Plan Contrib</u>	<u>Expense Acct</u>
Howard Leonard 2514 Plantation Center Drive Matthews, NC 28105	Chairman of the Board Part Time	-	-	-
Carolynn Leonard 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Mark Long 2514 Plantation Center Drive Matthews, NC 28105	President/ Board Member Full Time	64,068	-	-
Warren Smith 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Missy Smith 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Jeff Everett 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Gillian Everett 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Charlie Noble 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Lynn Noble 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Jerry Ledzinski 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Martina Ledzinski 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Bernie Lawrence 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-
Pat Lawrence 2514 Plantation Center Drive Matthews, NC 28105	Board Member Part Time	-	-	-

Wall Watchers
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Statement 2a - Part I 8c

Schedule of Investment Gains and Losses

Security	<u>Aggregate Sales</u> Price	<u>Aggregate Cost</u> Basis	<u>Aggregate</u> Gain/Loss
Transactions in Publicly Traded Securities	\$ 4,189,487	\$ 4,135,713	\$ 53,774
Net Gain on Investments	<u>\$ 4,189,487</u>	<u>\$ 4,135,713</u>	<u>\$ 53,774</u>

Statement 2b - Part IV 54

Schedule of Investments @ 6/30/01

Investment Type	<u>Fair Market</u> Value	Cost Basis	<u>Unrealized G/L</u>	Valuation Method
Publicly Traded Stocks	\$ 42,528	\$ 113,786	\$ (71,258)	Fair Market Value
Mutual Funds	\$ 4,743	\$ 6,265	\$ (1,522)	Fair Market Value
Total	<u>\$ 47,271</u>	<u>\$ 120,051</u>	<u>\$ (72,780)</u>	

Statement 3- Part II 42

Schedule of Depreciation/Amortization Expense and Accumulated Depreciation/Amortization

<u>Asset Description</u>	<u>FY 00-01</u> <u>Depreciation</u> <u>Expense</u>	<u>6/30/01</u>		
		<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Book Value</u>
Office Equipment	\$ 1,249	\$ 6,989	\$ 1,479	\$ 5,510
Computers	\$ 7,187	\$ 23,623	\$ 13,271	\$ 10,352
Telephone System	\$ 1,835	\$ 5,739	\$ 3,669	\$ 2,070
Office Furniture	\$ 1,305	\$ 6,187	\$ 2,006	\$ 4,181
Total Fixed Assets	\$ 11,576	\$ 42,538	\$ 20,425	\$ 22,113

<u>Asset Description</u>	<u>FY 00-01</u> <u>Amortization</u> <u>Expense</u>	<u>6/30/01</u>		
		<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net Book Value</u>
System Development Costs*	\$ 32,498	\$ 119,820	\$ 40,267	\$ 79,553
Total Other Assets	\$ 32,498	\$ 119,820	\$ 40,267	\$ 79,553

Total Current Year Expense	\$ 44,074
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* System Development Costs consist of amounts paid for the construction of the ministry's three web sites and the database used to capture the information conveyed on MinistryWatch. These costs are being amortized on a straight-line basis over a three-year period.

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Statement 4- Part II 43

Schedule of Other Expenses

<u>Description</u>	<u>Total</u>	<u>Program Services</u>	<u>Management & general</u>	<u>Fundraising</u>
Dues and Subscriptions	\$ 1,611	\$ 100	\$ 1,511	\$ -
Insurance	\$ 2,876	\$ -	\$ 2,876	\$ -
Licenses and Permits	\$ 133	\$ -	\$ 83	\$ 50
Miscellaneous	\$ 2,486	\$ 330	\$ 2,101	\$ 55
Recruitment	\$ 1,738	\$ 637	\$ 1,101	\$ -
Research Resources	\$ 2,446	\$ 2,446	\$ -	\$ -
Technology Services	\$ 8,192	\$ 5,109	\$ 3,083	\$ -
Employee Training	\$ 1,943	\$ -	\$ 1,943	\$ -
Consulting	\$ 750	\$ -	\$ -	\$ 750
Editor	\$ 15,500	\$ 15,500	\$ -	\$ -
Fundraising Resources	\$ 1,401	\$ -	\$ -	\$ 1,401
Web Site Promotion	\$ 14,439	\$ 14,439	\$ -	\$ -
Total Other Expenses (line 43a)	\$ 53,515	\$ 38,561	\$ 12,698	\$ 2,256

Statement 5 – Part III

Wall Watchers is a nondenominational Christian research organization whose primary objective is to educate and inform the public in the areas of Biblical stewardship and nonprofit affairs. The primary means of conveying this information is through freely accessible web sites on the Internet.

Statement 6 – Part III a

MinistryWatch – Through the web site www.ministrywatch.com, Wall Watchers provides profiles of the nonprofits about which it has obtained information.

Specific accomplishments of this program in the fiscal year ended June 30, 2001, included:

- Continued to request, receive, and process information about the 400+ large Christian ministries that are profiled on the MinistryWatch web site.
- Released the first MinistryWatch 5 Star Ratings on the ministries in the database for which financial information had been obtained. The MinistryWatch 5 Star Ratings system had been originally developed in previous years and was finalized in the current year.
- Developed a new rating system to assess the transparency of organizations reviewed by Wall Watchers. The first MinistryWatch Transparency Grades were scheduled for release in the first part of fiscal year 2002.
- Redesigned the MinistryWatch web site to incorporate changes aimed at improving the user experience. The redesign also incorporated new features including sections for news about ministries, discussions related to ministries, reports based on information in the database, and an interactive tool that allows users to sort and filter ratings data.
- Increased efforts to promote the web site through advertising on the Internet, media contact, and strategic distribution partnerships.
- Saw average daily user sessions on ministrywatch.com increase from 10 per day in September 2000 to an average of more than 500 per day by the end of June 2001 (with an average of 3.5 page views per session).
- Experienced more than 70,000 user sessions on ministrywatch.com in fiscal year 2001.
- Gained exposure in the following media outlets: the O'Reilly Factor, Life @ Work, World Magazine, The Chronicle of Philanthropy, The Nonprofit Times, Philanthropy News Network, Philadelphia Inquirer, Money Matters radio program, Pilgrim Radio News Network, Salem Radio Network, USA Network.
- Continued to build relationships with other entities in the philanthropic sector that share the organization's goals of increasing donor awareness, promoting increased giving to charities, and improving accountability among nonprofits.

Statement 7 – Part III b

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 can be encouraged and educated in the areas of Biblical stewardship.

Specific accomplishments of this program in the fiscal year ended June 30, 2001, included:

- Continued to build the database of stewardship related content that is carried on thegoodsteward.com web site. New articles were posted to the web site on a regular basis and the Stewardship Direct newsletter continued to inform subscribers about new content on the site.
- Increased efforts to promote the web site through advertising on the Internet, media contact, and strategic distribution partnerships.
- Saw average daily user sessions on thegoodsteward.com increase from 50 per day in July 2000 to more than 225 per day by the end of June 2001.

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Statement 8 - Part I, line 20

Detail of Other changes in net assets

<u>Description</u>	<u>Amount</u>
Unrealized Gain (Loss) on Investments Held at 6/30/01	\$ (72,780)
Reverse Unrealized (Gain) Loss on Investments Held at 6/30/00	\$ (13,507)
	<u>\$ (86,287)</u>

Wall Watchers
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Schedule A
2000

Statement 9 – Part III

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 at no cost to Wall Watchers.

Statement 10 – Part III 4b

Wall Watchers does not make grants or loans to individuals or organizations to carry out its exempt purpose.

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Schedule A
2000

Statement 11 - Part IV-A 26b

Schedule of excess contributions (1996-1999)

Information regarding contributions and similar receipts has been furnished to the Internal Revenue Service but is not available for public inspection.