

Return of Organization Exempt from Income Tax

OMB No 1545-0047

2003

Open to Public Inspection

Department of the Treasury
Internal Revenue ServiceUnder 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 2003 calendar year, or tax year beginning , 2003, and ending

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
instruc-
tions.

C Name of organization

NORTH CAROLINIANS FOR HOME EDUCATION

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

4326 BLAND ROAD

City, town or country

RALEIGH

State ZIP code + 4

NC 27609

D Employer identification number

56-1624186

E Telephone number

(919) 790-1100

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).

H and I are not applicable to section 527 organizations

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

H (b) If 'Yes,' enter number of affiliates ▶

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

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

I Group Exemption Number ▶

M Check ☒ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF)

G Web site: ▶ N/A

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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 387,318.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See instructions)

1 Contributions, gifts, grants, and similar amounts received.

a Direct public support

1a 14,498.

b Indirect public support

1b

c Government contributions (grants)

1c

d Total (add lines 1a through 1c) (cash \$ noncash \$)

1d 14,498.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 257,944.

3 Membership dues and assessments

3 113,885.

4 Interest on savings and temporary cash investments

4 991.

5 Dividends and interest from securities

5

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

8a

b Less cost or other basis and sales expenses

8b

c Gain or (loss) (attach schedule)

8c

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8d

9 Special events and activities (attach schedule) If any amount is from gaming, check here ☐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)

12 387,318.

13 Program services (from line 44, column (B))

13 227,300.

14 Management and general (from line 44, column (C))

14 152,784.

15 Fundraising (from line 44, column (D))

15 0.

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 380,084.

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 7,234.

19 Net assets or fund balances at beginning of year (from line 73, column (A))

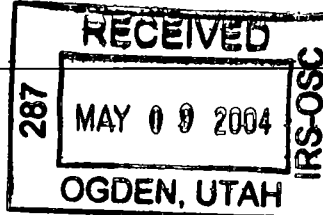
19 119,847.

20 Other changes in net assets or fund balances (attach explanation)

20

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 127,081.



SCANNED MAY 20 2004

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

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 (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	35,000.	17,500.	17,500.	0.
26 Other salaries and wages	26	70,404.	35,202.	35,202.	0.
27 Pension plan contributions	27	0.	0.	0.	0.
28 Other employee benefits	28	5,362.	2,681.	2,681.	0.
29 Payroll taxes	29	10,017.	5,009.	5,008.	0.
30 Professional fundraising fees	30	0.	0.	0.	0.
31 Accounting fees	31	689.	0.	689.	0.
32 Legal fees	32	0.	0.	0.	0.
33 Supplies	33	5,257.	2,629.	2,628.	0.
34 Telephone	34	3,858.	1,929.	1,929.	0.
35 Postage and shipping	35	17,600.	17,000.	600.	0.
36 Occupancy	36	15,375.	0.	15,375.	0.
37 Equipment rental and maintenance	37	4,617.	0.	4,617.	0.
38 Printing and publications	38	5,580.	2,790.	2,790.	0.
39 Travel	39	0.	0.	0.	0.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	3,494.	0.	3,494.	0.
43 Other expenses not covered above (itemize)					
a Board of Directors Expenses	43a	32,406.	0.	32,406.	0.
b Contractors	43b	36,138.	18,069.	18,069.	0.
c Basketball Tournament Expenses	43c	4,533.	4,533.	0.	0.
d Newsletter Publication Expenses	43d	35,986.	35,986.	0.	0.
e See Other Expenses Stmt	43e	93,768.	83,972.	9,796.	0.
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	380,084.	227,300.	152,784.	0.

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 AccomplishmentsWhat is the organization's primary exempt purpose? ☐ Provide information to families of Homeschooled Children

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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)

a Generate newsletters and mailings which are mailed to the members of north Carolinians for Home Education, which items keep members abreast of resources available to home-	(Grants and allocations \$ 16,691.)	47,285.
b schools and homeschoolers.	(Grants and allocations \$ 0.)	0.
c	(Grants and allocations \$)	
d	(Grants and allocations \$)	
e Other program services	(Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		47,285.

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

		(A) Beginning of year		(B) End of year
A S S E T S	45 Cash — non-interest-bearing	16,287.	45	21,633.
	46 Savings and temporary cash investments	82,626.	46	80,886.
	47 a Accounts receivable	47 a		
	b Less: allowance for doubtful accounts	47 b	47 c	
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b	48 c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	51 a		
	b Less: allowance for doubtful accounts	51 b	51 c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments — land, buildings, & equipment: basis	55 a 36,303.		
	b Less: accumulated depreciation (attach schedule) L-55 Stmt	55 b 11,741.	22,059.	55 c 24,562.
56 Investments — other (attach schedule)		56		
57 a Land, buildings, and equipment: basis	57 a			
b Less: accumulated depreciation (attach schedule)	57 b	57 c		
58 Other assets (describe ▶)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	120,972.	59	127,081.	
L I A B I L I T I E S	60 Accounts payable and accrued expenses	1,125.	60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ▶)		65	
	66 Total liabilities (add lines 60 through 65)	1,125.	66	0.
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" 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	119,847.	72	127,081.
	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)	119,847.	73	127,081.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	120,972.	74	127,081.

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.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	N/A
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) _____ \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	

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

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
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	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
DEBBIE LANCASTER 3111 LAKE WOODDARD DRIVE RALEIGH, NC 27604	EXECUTIVE DIRECTOR/40+ HOU 40	35,000.	0.	0.
HAL YOUNG SMITHFIELD, NC	PRESIDENT 10	0.	0.	0.
ERNEST HODGES PFAFFTOWN, NC	ADMINISTRATIVE VICE PRESID 10	0.	0.	0.
LOIS PINKERTON KERNERSVILLE, NC	SECRETARY 10	0.	0.	0.
VICKIE WOODBURY SOUTHPORT, NC	TREASURER 10	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

If 'Yes,' attach schedule — see instructions

► ☐ Yes ☒ No

Part VII Analysis of Income-Producing Activities (See instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Graduation Ceremony	422000	5,445.	03		
b Advertising	422000	21,556.	03		
c Other Miscellaneous Sources of Funds	422000	50.	03		
d Annual Conference	422000	112,620.	03		
e See Program Service Revenue Stmt		118,273.			
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		257,944.			
105 Total (add line 104, columns (B), (D), and (E))					257,944.

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 instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	N/A
2	
3	
4	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

N/A

(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 instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

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

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

Please

Lickia Libalhaus Treasurer

Date

5/6/04

50

Date

Check if

Preparer's SSN or PTIN (see

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

2003

Name of the organization

NORTH CAROLINIANS FOR HOME EDUCATION

Employer identification number

56-1624186

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See 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 and deferred compensation	(e) Expense account and other allowances
none				
Total number of other employees paid over \$50,000	None			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See 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
N/A		
Total number of others receiving over \$50,000 for professional services	None	

Part III Statements About Activities (See 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 **\$** _____ **0.**
(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

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?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

- 3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

- 4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4 X

Part IV Reason for Non-Private Foundation Status (See 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 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 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	14,498.	25,055.	51,392.	39,769.	130,714.
16 Membership fees received	113,885.	111,610.			225,495.
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	112,620.	92,211.	87,135.	92,077.	384,043.
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	991.	5,207.	9,943.	3,580.	19,721.
19 Net income from unrelated business activities not included in line 18		64,695.			64,695.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf		0.			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.			0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	145,324.	83,716.	39,769.	16,373.	285,182.
23 Total of lines 15 through 22	387,318.	382,494.	188,239.	151,799.	1,109,850.
24 Line 23 minus line 17	274,698.	290,283.	101,104.	59,722.	725,807.
25 Enter 1% of line 23	3,873.	3,825.	1,882.	1,518.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				
	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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				
	c Total support for section 509(a)(1) test: Enter line 24, column (e)				
	d Add: Amounts from column (e) for lines:				
	18	19,721.	19	64,695.	
	22	285,182.	26b		
	e Public support (line 26c minus line 26d total)				
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				
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:				
	(2002)	(2001)	(2000)	(1999)	
	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.				
	(2002)	(2001)	(2000)	(1999)	
	c Add: Amounts from column (e) for lines:				
	15	16	17	20	21
	d Add: Line 27a total and line 27b total				
	e Public support (line 27c total minus line 27d total)				
	f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)				
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)		25,055.	51,392.	39,769.	116,216.
16 Membership fees received		111,610.			111,610.
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		92,211.	87,135.	92,077.	271,423.
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		5,207.	9,943.	3,580.	18,730.
19 Net income from unrelated business activities not included in line 18		64,695.			64,695.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf		0.			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.			0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets		83,716.	39,769.	16,373.	139,858.
23 Total of lines 15 through 22		382,494.	188,239.	151,799.	722,532.
24 Line 23 minus line 17		290,283.	101,104.	59,722.	451,109.
25 Enter 1% of line 23		3,825.	1,882.	1,518.	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	9,022.
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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e)		26c	451,109.
d Add: Amounts from column (e) for lines 18 18,730. 19 64,695.		26d	223,283.
22 139,858. 26b		26e	227,826.
e Public support (line 26c minus line 26d total)		26f	50.50 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

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: (2002) _____ (2001) _____ (2000) _____ (1999) _____	
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. (2002) _____ (2001) _____ (2000) _____ (1999) _____	
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 1999 through 2002, 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 instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	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 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	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.
38	Total lobbying expenditures (add lines 36 and 37)	38	0.
39	Other exempt purpose expenditures	39	0.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0.
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	0.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.
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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable 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 instructions)

N/A

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**.)

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

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)▶ See separate instructions.
▶ Attach to your tax return.

OMB No 1545 0172

2003**67**

Name(s) shown on return

NORTH CAROLINIANS FOR HOME EDUCATION

Identifying number

56-1624186

Business or activity to which this form relates

Form 990 / Form 990EZ

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount See instructions for a higher limit for certain businesses	1	\$100,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12	13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	245.
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

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

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	3,135.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		570.	5.0 yrs	HY	200DB	114.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions	22	3,494.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If 'Yes,' is the evidence written?		Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25			
26 Property used more than 50% in a qualified business use (see instructions).										
27 Property used 50% or less in a qualified business use (see instructions):										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29			

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see instructions)					
43 Amortization of costs that began before your 2003 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
Library Fund	983.	983.	0.	0.
Bank Service Charges	2,584.	1,292.	1,292.	0.
Mailer Expense	2,206.	2,206.	0.	0.
Staff Travel	1,626.	1,626.	0.	0.
Scholarship Fund Awards	11,600.	11,600.	0.	0.
Support Group Expenses	1,310.	655.	655.	0.
Other Management Expense	5,273.	2,637.	2,636.	0.
Legislative Rally	170.	0.	170.	0.
North Carolina Sales Tax	4,279.	0.	4,279.	0.
Returned Checks	1,528.	764.	764.	0.
NCHE Conference Costs	62,209.	62,209.	0.	0.
Total	<u>93,768.</u>	<u>83,972.</u>	<u>9,796.</u>	<u>0.</u>

Form 990, Page 3, Part IV, Lines 55a & 55b

Investments - Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Office Equipment	30,551.	11,627.	18,924.
Office Equipment	815.	114.	701.
Office Equipment	4,937.	0.	4,937.
Total	<u>36,303.</u>	<u>11,741.</u>	<u>24,562.</u>

Form 990, Page 6, Part VII, Line 93

Program Service Revenue Stmt

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusn code	(D) Amount	
Program service revenue.					
Merchandise Sales	422000	25,968.	03		
Sales Tax Refund	422000	6,526.	03		
Scholarship Fund Receipts	422000	7,340.	03		
Sports Programs	422000	2,299.	03		
Support Group Leader Meeti	422000	970.	03		
Resource Guide	422000	3,430.	03		
Conference Parking & Vendo	422000	71,740.	03		
Total		<u>118,273.</u>			

Supporting Statement of:

Sch. A, 990 p 3/Line 22-c

Description	Amount
Direct Public Support	39,769.
Total	<u>39,769.</u>