

Form **990-PF**

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2004

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2004, or tax year beginning **7/01/04**, and ending **6/30/05**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization JOHN LOCKE FOUNDATION INC.		A Employer identification number 56-1656943		
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 200 W. MORGAN STREET, STE. 200		B Telephone number (see page 10 of the instructions)		
	City or town, state, and ZIP code RALEIGH NC 27601		C If exemption application is pending, check here <input type="checkbox"/>		
	H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 344,750		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
		(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input checked="" type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see page 11 of the instr.))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)	2,016,444			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	172	172	172	
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or (loss) _____)				
6a Net gain/(loss) from sale of assets not on line 10 Stmt 1	-1,051			
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			0	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) Stmt 2	56,760		56,760	
12 Total. Add lines 1 through 11	2,072,325	172	56,932	
13 Compensation of officers, directors, trustees, etc.	349,225			318,506
14 Other employee salaries and wages	521,972			458,214
15 Pension plans, employee benefits	162,071			153,413
16a Legal fees (attach schedule) See Stmt 3	5,661			5,661
b Accounting fees (attach schedule) Stmt 4	6,113			5,624
c Other professional fees (attach schedule) Stmt 5	258,064			212,220
17 Interest	1,099			989
18 Taxes (attach schedule) (see pg 14 of the instr.)				
19 Depreciation (attach schedule) & depletion Stmt 6	43,719			
20 Occupancy	72,442			66,647
21 Travel, conferences, and meetings	226,308		56,760	130,960
22 Printing and publications	268,508			239,702
23 Other expts (attach schedule) Stmt 7	224,721	172	172	195,608
24 Total operating and administrative expenses. Add lines 13 through 23	2,139,903	172	56,932	1,787,544
25 Contributions, gifts, grants paid				
26 Total expenses and disbursements. Add lines 24 and 25	2,139,903	172	56,932	1,787,544
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-67,578			
b Net investment income (if negative, enter -0-)		0		
c Adjusted net income (if negative, enter -0-)			0	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
1	Cash-non-interest-bearing			309,650	111,018	111,018
2	Savings and temporary cash investments					
3	Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
4	Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
5	Grants receivable					
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)					
7	Other notes and loans receivable ▶ See Wrk	25,519				
	Less: allowance for doubtful accounts ▶			15,886	25,519	25,519
8	Inventories for sale or use					
9	Prepaid expenses and deferred charges			1,558	96,997	96,997
10a	Investments-U S and state government obligations (attach schedule)					
b	Investments-corporate stock (attach schedule)					
c	Investments-corporate bonds (attach schedule)					
11	Investments-land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
12	Investments-mortgage loans					
13	Investments-other (attach schedule)					
14	Land, buildings, and equipment: basis ▶	212,715				
	Less: accumulated depreciation ▶ Stmt 8	101,499		61,485	111,216	111,216
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers-see page 16 of the instructions. Also, see page 1, item I)			388,579	344,750	344,750
17	Accounts payable and accrued expenses			79,544	108,640	
18	Grants payable					
19	Deferred revenue					
20	Loans from officers, directors, trustees, and other disqualified persons					
21	Mortgages and other notes payable (att. schedule)					
22	Other liabilities (describe ▶ See Statement 9)			20,739	15,392	
23	Total liabilities (add lines 17 through 22)			100,283	124,032	
Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
24	Unrestricted			107,340	220,718	
25	Temporarily restricted			180,956		
26	Permanently restricted					
Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.						
27	Capital stock, trust principal, or current funds					
28	Paid-in or capital surplus, or land, bldg., and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances (see page 17 of the instructions)			288,296	220,718	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)			388,579	344,750	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year-Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	288,296
2	Enter amount from Part I, line 27a	2	-67,578
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	220,718
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)-Part II, column (b), line 30	6	220,718

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a N/A			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8		3

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

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

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

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2003	1,379,758	130,856	10.544094
2002	1,359,358	54,818	24.797658
2001	1,336,567	27,753	48.159370
2000	1,273,812	67,181	18.960897
1999	1,306,160	19,188	68.071711

2 Total of line 1, column (d)	2	170.533730
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	34.106746
4 Enter the net value of noncharitable-use assets for 2004 from Part X, line 5	4	127,296
5 Multiply line 4 by line 3	5	4,341,652
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	4,341,652
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	1,787,544

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948-see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	
c	All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	0
6	Credits/Payments:		
a	2004 estimated tax payments and 2003 overpayment credited to 2004	6a	
b	Exempt foreign organizations-tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2005 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. \$ _____ (2) On organization managers \$ _____		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. \$ _____		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) NC		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," att. explanation	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2004 or the taxable year beginning in 2004 (see instructions for Part XIV on page 25)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names & addresses		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address www.johnlocke.org	X	
12 The books are in care of PAGE COX Located at RALEIGH, NC		
Telephone no. 919-828-3876 ZIP+4 27601		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year		

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

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

Table with columns for question text, Yes/No checkboxes, and Yes/No columns. Rows include questions 1a through 6b regarding organizational activities and disqualifications.

Part VIII

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

1 List all officers; directors, trustees, foundation managers and their compensation (see page 20 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contrib to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 10				
(details available upon request)				

2 Compensation of five highest-paid employees (other than those included on line 1-see page 21 of the instructions).

If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Total (details available upon request)		244,062	28,006	0
W. ADAMS RALEIGH, NC				
R. HIGGINS RALEIGH, NC				
L. KAKADELIS RALEIGH, NC				
R. WAGNER RALEIGH, NC				

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

0

3 Five highest-paid independent contractors for professional services-(see page 21 of the instructions). If none, enter "NONE."

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

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

0

Part IX-A

Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 PUBLICATIONS AND HEADLINER LUNCHES; SEMINARS.	1,787,544
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 22 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See page 22 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 22 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	0
b Average of monthly cash balances	1b	129,235
c Fair market value of all other assets (see page 22 of the instructions)	1c	0
d Total (add lines 1a, b, and c)	1d	129,235
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2 Acquisition indebtedness applicable to line 1 assets	2	0
3 Subtract line 2 from line 1d	3	129,235
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4	1,939
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	127,296
6 Minimum investment return. Enter 5% of line 5	6	6,365

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

1 Minimum investment return from Part X, line 6	1	
2a Tax on investment income for 2004 from Part VI, line 5	2a	
b Income tax for 2004. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	
6 Deduction from distributable amount (see page 23 of the instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

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

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc.-total from Part I, column (d), line 26	1a	1,787,544
b Program-related investments-total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,787,544
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	0
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,787,544

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

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

	(a) Corpus	(b) Years prior to 2003	(c) 2003	(d) 2004
1 Distributable amount for 2004 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2003:				
a Enter amount for 2003 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2004:				
a From 1999				
b From 2000				
c From 2001				
d From 2002				
e From 2003				
f Total of lines 3a through e				
4 Qualifying distributions for 2004 from Part XII, line 4: ▶ \$ _____				
a Applied to 2003, but not more than line 2a				
b Applied to undistributed income of prior years (Election required-see page 24 of the instructions)				
c Treated as distributions out of corpus (Election required-see page 24 of the instructions)				
d Applied to 2004 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2004 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount-see page 25 of the instructions				
e Undistributed income for 2003. Subtract line 4a from line 2a. Taxable amount-see page 25 of the instructions				
f Undistributed income for 2004. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2005				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)				
8 Excess distributions carryover from 1999 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2005. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2000				
b Excess from 2001				
c Excess from 2002				
d Excess from 2003				
e Excess from 2004				

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2004, enter the date of the ruling				N/A
b	Check box to indicate whether the organization is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Tax year	Prior 3 years			(e) Total
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	
	0	2			2
b	85% of line 2a				2
c	1,787,544	1,379,758	1,359,358	1,336,567	5,863,227
d	Amounts included in line 2c not used directly for active conduct of exempt activities				
e	1,787,544	1,379,758	1,359,358	1,336,567	5,863,227
3	Complete 3a, b, or c for the alternative test relied upon:				
a	"Assets" alternative test-enter:				
	(1) Value of all assets				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	"Endowment" alternative test-enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				11,357
	4,243	4,362	1,827	925	
c	"Support" alternative test-enter:				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
	(3) Largest amount of support from an exempt organization				
	(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 26 of the instructions.)

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
N/A
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
N/A
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 26 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number of the person to whom applications should be addressed:
N/A
- b** The form in which applications should be submitted and information and materials they should include:
N/A
- c** Any submission deadlines:
N/A
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year N/A				
Total			▶ 3a	
b Approved for future payment N/A				
Total			▶ 3b	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code...
a Transfers from the reporting organization to a noncharitable exempt organization of:
(1) Cash
(2) Other assets
b Other transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities, equipment, or other assets
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) 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.

Table with 3 columns: Yes, No, and a column for line items (1a(1), 1a(2), 1b(1), 1b(2), 1b(3), 1b(4), 1b(5), 1b(6), 1c). 'X' marks are present in the 'No' column for all items.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

2a 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 [X]

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

accompanying schedules and statements, and to the best of my knowledge and or fiduciary) is based on all information of which preparer has any knowledge.

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047

2004

Name of organization

Employer identification number

JOHN LOCKE FOUNDATION INC.

56-1656943

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

Name of organization

JOHN LOCKE FOUNDATION INC.

Employer identification number

56-1656943

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	RJ REYNOLDS P. O. BOX 2990 WINSTON SALEM NC 27102	\$ 24,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	ROE FOUNDATION 712 CRESCENT AVENUE GREENVILLE SC 29601	\$ 25,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	JOHN WILLIAM POPE FOUNDATION P. O. BOX 17800 RALEIGH NC 27619	\$ 1,696,142	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>	CLAUDE R. LAMBE CHARITABLE FND P. O. BOX 2256 WICHITA KS 67201	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>	JACQUELIN HUME FOUNDATION 600 MONTGOMERY ST., FL 28 SAN FRANCISCO CA 94111-2702	\$ 30,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>	EA MORRIS CHARITABLE FOUNDATION 3802 SWARTHMORE ROAD DURHAM NC 27707-5438	\$ 55,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization JOHN LOCKE FOUNDATION INC.	Employer identification number 56-1656943
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>7</u>	CHASE FOUNDATION OF VIRGINIA 300 PRESTON AVE., STE 403 CHARLOTTE NC 22902	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
<u>8</u>	STONECUTTER FOUNDATION 300 DALLAS STREET SPINDALE NC 28160	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
<u>9</u>	BB&T PO BOX 1290 WINSTON-SALEM NC 27102	\$ 30,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
<u>10</u>	GLAXO SMITH KLINE P. O. BOX 13398 RESEARCH TRIANGLE PARK NC 27709	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
<u>11</u>	FORENSIC PRODUCTS, INC. P. O. BOX 369 YOUNGSVILLE NC 27596	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
<u>12</u>	<i>John Carrington</i> <i>100 Hunter PL</i> <i>Youngsville, NC 27596</i>	\$ <i>5,000</i>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>

Forms 990 / 990-PF	Other Notes and Loans Receivable	2004
For calendar year 2004, or tax year beginning 7/01/04 , and ending 6/30/05		

Name JOHN LOCKE FOUNDATION INC.	Employer Identification Number 56-1656943
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Form 990-PF, Part II, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) SALES TAX DUE	
(2) LOAN TO POPE CENTER	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	15,886	24,612	24,612
(2)		907	907
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	15,886	25,519	25,519

Depreciation and Amortization

OMB No 1545-0172

Form **4562**

(Including Information on Listed Property)

2004

Department of the Treasury
Internal Revenue Service

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

Attachment
Sequence No **67**

Name(s) shown on return

JOHN LOCKE FOUNDATION INC.

Identifying number

56-1656943

Business or activity to which this form relates

Indirect Depreciation

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 page 2 of the instructions for a higher limit for certain businesses	1	102,000
2	Total cost of section 179 property placed in service (see page 3 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	410,000
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 page 3 of the instructions	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
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 2003 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	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 2005. 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 prop. (other than listed prop.) placed in service during the tax year (see pg 3 of the instructions)	14	4,938
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2004	17	9,538
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 2004 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		13,223	5.0	HY	200DB	2,644
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 2004 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 page 8 of the 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 instr.	22	17,120
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	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2004)

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 page 9 of the 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 prop (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 page 8 of the instructions)									25		
26 Property used more than 50% in a qualified business use (see page 8 of the instructions):											
		%									
		%									
27 Property used 50% or less in a qualified business use (see page 8 of the instructions):											
		%					S/L-				
		%					S/L-				
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.

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

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 page 10 of the 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 page 10 of the 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 page 10 of the 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 2004 tax year (see page 11 of the instructions):					
See Statement 11		76,338			12,288
43 Amortization of costs that began before your 2004 tax year				43	15,166
44 Total. Add amounts in column (f). See page 12 of the instructions for where to report				44	27,454

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Desc	Whom Sold	Date Acquired	Date Sold	How Rec'd	Sale Price	Cost	Expense	Deprec	Net G/L
IMAC COMPUTER		2/15/00	7/01/04	Purchase	\$	929	\$	929	\$
5 IMAC COMPUTERS		2/21/00	7/01/04	Purchase		9,107		9,107	
IMAC COMPUTER		2/16/00	7/01/04	Purchase		938		938	
Apple Powerbook		8/12/02	7/01/04	Purchase		2,737		1,686	-1,051
Total					\$	<u>13,711</u>	\$	<u>12,660</u>	<u>-1,051</u>

Federal Statements**Statement 2 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
LUNCHEONS, SEMINARS	\$ 56,760	\$	\$ 56,760
Total	<u>\$ 56,760</u>	<u>\$ 0</u>	<u>\$ 56,760</u>

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Legal Fees	\$ 5,661	\$	\$	\$ 5,661
Total	<u>\$ 5,661</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,661</u>

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 6,113	\$	\$	\$ 5,624
Total	<u>\$ 6,113</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,624</u>

Statement 5 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CONSULTANTS	\$ 170,365	\$	\$	\$ 148,285
SPEAKERS	38,199			38,199
PROFESSIONAL SERVICES	49,500			25,736
Total	<u>\$ 258,064</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,220</u>

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 16 - Depreciation

Desc	Date	Cost	PY	Method	Life	CY
	Acquired	Basis	Depr			
PRIOR FULLY DEPR ASSETS	2/09/90	\$ 6,991	\$ 6,991	MACRS	7	\$
IDENTIFICATION SIGN	5/13/96	500	500	MACRS	5	
POPE - PRINTER	8/28/98	1,744	1,744	MACRS	5	
PRINTER	8/21/98	400	400	MACRS	5	
FURNISHINGS	12/31/98	3,495	3,027	MACRS	7	312
POPE - FURNITURE	12/31/98	793	686	MACRS	7	71
TELEPHONE	6/30/99	975	974	MACRS	5	
PRINTER	6/30/99	325	325	MACRS	5	
EPSON PRINTER	9/02/99	978	921	MACRS	5	56
PROXIMA PROJECTOR	10/26/99	2,264	2,133	MACRS	5	130
TAS SOUND CD RECORDER	1/06/00	700	659	MACRS	5	40
IMAC COMPUTER	2/15/00	929	875	MACRS	5	54
5 IMAC COMPUTERS	2/21/00	9,107	8,582	MACRS	5	525
IMAC COMPUTER	2/16/00	938	883	MACRS	5	54
MEMORY	8/10/99	254	239	MACRS	5	15
ATCOM TELEPHONE	8/10/99	2,385	2,247	MACRS	5	137
3 ATCOM PHONES	2/29/00	954	899	MACRS	5	55
MISCELLANEOUS	12/31/99	1,455	1,371	MACRS	5	84

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 16 - Depreciation (continued)

Desc	Date	Cost	PY	Method	Life	CY
	Acquired	Basis	Depr			
ATCOM PHONES	12/31/99	\$ 2,207	\$ 2,079	MACRS	5	\$ 127
Hitachi SVGA	8/12/02	1,825	949	MACRS	5	350
I Book (Kakadelis)	8/12/02	2,494	1,296	MACRS	5	479
Apple Powerbook	8/12/02	2,737	1,423	MACRS	5	263
CDRW Drive	8/20/02	190	98	MACRS	5	36
USB extension floppy drive	9/15/02	148	76	MACRS	5	28
Unknown equipment (Kakadelis)	9/30/02	683	355	MACRS	5	131
Ritz Camera	11/11/02	868	451	MACRS	5	167
Tables & Chairs	1/08/03	655	253	MACRS	7	115
Backup System	3/22/03	549	285	MACRS	5	105
RECORDER/MICROPHONE	1/23/02	433	308	MACRS	5	50
WEBSITE RENOVATION	1/01/03	33,000	16,500	Amortization	3	11,000
Laser Printer	12/31/03	570	342	MACRS	5	91
2 laptops; 3 desktops	10/17/03	10,097	6,058	MACRS	5	1,616
Additional Website Features	12/31/03	12,500	2,430	Amortization	3	4,167
Minolta Copier	7/01/03	27,787	16,672	MACRS	5	4,446
Website - fundraising	1/01/05	2,550		Amortization	3	425
Website	1/01/05	67,480		Amortization	3	11,247

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 16 - Depreciation (continued)

Desc	Date Acquired	Cost Basis	PY Depr	Method	Life	CY Depr
apple pm g4	7/01/04	\$ 1,599	\$	MACRS	5	\$ 959
apple 15pb 1.33ghz	8/30/04	1,999		MACRS	5	1,199
2 apple emac g4	11/17/04	2,234		MACRS	5	1,340
apple 17" iMac g5	11/17/04	1,966		MACRS	5	1,180
apple 15" pb 1.33	12/29/04	2,075		MACRS	5	1,245
2 apple iBooks g4	1/31/05	2,988		MACRS	5	598
apple 15" PB	3/07/05	2,438		MACRS	5	488
apple cinema 20" display	3/30/05	1,264		MACRS	5	253
apple emac g4	3/24/05	1,598		MACRS	5	320
filemaker software - fundraise	11/01/04	1,593		Amortization	3	354
adobe software	5/27/05	4,715		Amortization	3	262
Total		\$ 226,429	\$ 83,031			\$ 44,574

56-1656943

Federal Statements

FYE: 6/30/2005

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
	\$	\$	\$	\$
Expenses				
POSTAGE	76,984			57,594
TELEPHONE	9,354			7,775
ANNOUNCEMENTS	55,932			53,077
SUPPLIES	15,084			14,103
MAINTENANCE	13,503			12,732
SUBSCRIPTIONS	1,528			1,528
INTERNET & WEBSITE	41,860			41,860
MISCELLANEOUS	4,811	172	172	4,599
DUES & MEMBERSHIPS	2,340			2,340
LIST DEVELOPMENT	3,325			
Total	<u>\$ 224,721</u>	<u>\$ 172</u>	<u>\$ 172</u>	<u>\$ 195,608</u>

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

<u>Description</u>	<u>Beginning Net Book</u>	<u>End Cost/Basis</u>	<u>End Accum Deprec</u>	<u>Net Fair Mkt Value</u>
FIXED ASSETS	\$ 61,485	\$ 97,185	\$ 61,422	\$ 35,763
WEBSITE & OTHER INTANGIBLES		115,530	40,077	75,453
Total	<u>\$ 61,485</u>	<u>\$ 212,715</u>	<u>\$ 101,499</u>	<u>\$ 111,216</u>

Statement 9 - Form 990-PF, Part II, Line 22 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DEFERRED FINANCE LEASE OBLIGATION	<u>\$ 20,739</u>	<u>\$ 15,392</u>
Total	<u>\$ 20,739</u>	<u>\$ 15,392</u>

Federal Statements

Statement 10 - Form 990-PF, Part VIII - List of Officers, Directors, Trustees, Etc.

Name	City, State, Zip	Title	Average Hours	Compensation	Benefits	Expenses
TOTAL				349,225	25,316	
John Hood	Raleigh NC	President	40			
Don Carrington	Raleigh NC	VP	40			
Kory Swanson	Raleigh NC	VP	40			
Ray Cordato	Raleigh NC	VP	40			

Federal Statements

Statement 11 - Form 4562, Line 40 - Amortization

Description	Amort Beg Date	Amortizable Amount	Code Sec	Period/ Percent	Current Yr Amortization
Website - fundraising	1/01/05	\$ 2,550	0	3.0	\$ 425
Website	1/01/05	67,480	0	3.0	11,247
filemaker software - fundraise	11/01/04	1,593	0	3.0	354
adobe software	5/27/05	4,715	0	3.0	262
Total		\$ 76,338			\$ 12,288

Federal Statements

Form 990-PF - General Footnote

TAXPAYER ELECTS OUT OF BONUS DEPRECIATION UNDER IRC 168 FOR ALL CLASSES OF ASSETS.