

Return of Organization Exempt From Income Tax

2006

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning 2006, and ending 2006, and ending 20

B Check if applicable:

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

200612 031530000 29 IB
 NORTH CAROLINA INSTITUTE OF
 TECHNOLOGY INC
 1717 HOWARD MOORE RD
 HOT SPRINGS NC 28743-7270

I
R
S

Employer identification number
56-1853982

Telephone number
(828) 225-8581

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

G Website: ▶

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number ▶

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

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

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:					
	a	Contributions to donor advised funds	1a				
	b	Direct public support (not included on line 1a)	1b	112039			
	c	Indirect public support (not included on line 1a)	1c				
	d	Government contributions (grants) (not included on line 1a)	1d				
	e	Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)	1e		112039		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2				
	3	Membership dues and assessments	3				
	4	Interest on savings and temporary cash investments	4				
	5	Dividends and interest from securities	5				
Revenue	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	8a			
			(B) Other	8b			
				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 <input type="checkbox"/>	a	9a			
			b	9b			
c			9c				
10	Gross sales of inventory, less returns and allowances	10a					
		b	10b				
		c	10c				
11	Other revenue (from Part VII, line 103)	11		9672			
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		121711			
Expenses	13	Program services (from line 44, column (B))	13		93494		
	14	Management and general (from line 44, column (C))	14		2118		
	15	Fundraising (from line 44, column (D))	15		6971		
	16	Payments to affiliates (attach schedule)	16				
	17	Total expenses. Add lines 16 and 44, column (A)	17		121583		
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		128		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		14716		
	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		14845		

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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. (See the instructions.)

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	
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a				
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b				
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b, and c	26	12342	10592	1750	
27	Pension plan contributions not included on lines 25a, b, and c	27				
28	Employee benefits not included on lines 25a - 27	28				
29	Payroll taxes	29	588		588	
30	Professional fundraising fees	30				
31	Accounting fees	31				
32	Legal fees	32	6500		6500	
33	Supplies	33	86252	80797	5455	
34	Telephone	34	1340		1340	
35	Postage and shipping	35	387		387	
36	Occupancy	36	1444		1444	
37	Equipment rental and maintenance	37	2105	2105		
38	Printing and publications	38				
39	Travel	39	3200		3200	
40	Conferences, conventions, and meetings	40	32000		32000	
41	Interest	41	2000			
42	Depreciation, depletion, etc. (attach schedule)	42				
43	Other expenses not covered above (itemize):					
a	Board Exp	43a	100		100	
b	Contract Callow	43b	1384		1384	
c	Insurance	43c	1849		1849	
d	Licenses & Permits	43d	94		94	
e	Utilities	43e	1739		1739	
f	Office (2005)	43f	259		259	
g	unrelated	43g				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	121583	93494	21118	6971

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

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.

What is the organization's primary exempt purpose? ► EDUCATION & RESEARCH

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

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

a Cancer & Degenerative Disease Research involving approx 100 clients funded totally by private donations, none from (4) educational & research trips in US during 2006.
(Grants and allocations \$) If this amount includes foreign grants, check here ►

93494

b

(Grants and allocations \$) If this amount includes foreign grants, check here ►

c

(Grants and allocations \$) If this amount includes foreign grants, check here ►

d

(Grants and allocations \$) If this amount includes foreign grants, check here ►

e Other program services (attach schedule)
(Grants and allocations \$) If this amount includes foreign grants, check here ►

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ►

93494

Part IV Balance Sheets (See the 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
Assets	45 Cash—non-interest-bearing	1315	45	1388
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b		47c
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges			53
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
	56 Investments—other (attach schedule)			56
	57a Land, buildings, and equipment: basis	57a		
b Less: accumulated depreciation (attach schedule)	57b		57c	
58 Other assets, including program-related investments (describe <input type="checkbox"/> <u>Equipment, vehicle</u>)	27251	58	27251	
59 Total assets (must equal line 74). Add lines 45 through 58	28566	59	28639	
Liabilities	60 Accounts payable and accrued expenses	13850	60	13794
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities. Add lines 60 through 65	13850	66	13794	
Net Assets or Fund Balances	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 type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	14716	73	14845	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	28566	74	28639	

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

a	Total revenue, gains, and other support per audited financial statements		a	
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and 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	
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
ROBERT H. DOWLING HOT SPRINGS NC	PRES 20 hrs	0	0	0
AGNES KELLER SPINDALE, NC	SEC 1 HR	0	0	0
BARBARA BAXLEY HOT SPRINGS	TREAS 2 HRS Accountant	0	0	0

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued) Yes No

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 3
75b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) X
75c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." X
75d Does the organization have a written conflict of interest policy? X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (if any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. The first row contains the handwritten word 'NONE' in column A.

Part VI Other Information (See the instructions.) Yes No

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? X
78b If "Yes," has it filed a tax return on Form 990-T for this year? X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? X
80b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt
81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0
81b Did the organization file Form 1120-POL for this year? X

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	<u>0</u>	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	<u>0</u>	
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90a	List the states with which a copy of this return is filed <u>NC</u>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	
91a	The books are in care of <u>BARBARA BAKER</u> Telephone no. <u>(828) 255-8581</u> Located at <u>1717 HOWARD MOORE RD, HILLSBORO</u> ZIP + 4 <u>28743</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	Yes	No
91b			X

Part VI Other Information (continued)

- c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
- If "Yes," enter the name of the foreign country ▶ _____
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 |

Part VII Analysis of Income-Producing Activities (See the 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 _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and 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 personal property					
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 <u>SCANS</u>	54-1700	3502			
c <u>PRODUCTS</u>	54-1900	5175			
d <u>COMMISSIONS</u>	54-1900	995			
e <u>(PRODUCT)</u>					
104 Subtotal (add columns (B), (D), and (E))		9672		112039	121711
105 Total (add line 104, columns (B), (D), and (E))					

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the 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).
	<i>Helped in researching degenerative diseases</i>

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

(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 the 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).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	N/A			
b				
c				
Totals				

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	N/A			
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

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 Sign Here

Signature of officer: [Signature] Date: 3-15-07

Type or print name and title: Robert Dowling, President

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's SSN or PTIN (See Gen. Inst. X): _____

EIN: _____ Phone no.: () _____