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Form **990**

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

# 2011

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

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

**A** For the 2011 calendar year, or tax year beginning **SEP 1, 2011** and ending **AUG 31, 2012**

|   |  |            |  |
|---|--|------------|--|
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>RALEIGH RESCUE MISSION, INC.</b>       |            | <b>D</b> Employer identification number<br><b>56-6024168</b>   |
|   | Doing Business As  |            | <b>E</b> Telephone number<br><b>919-828-9014</b>   |
|   | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | <b>G</b> Gross receipts \$ <b>6,513,786.</b>   |
|   | <b>P.O. BOX 27391</b>  |            | <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                         |
|   | City or town, state or country, and ZIP + 4<br><b>RALEIGH, NC 27611</b>    |            | <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list (see instructions) |
| <b>F</b> Name and address of principal officer: <b>LYNN DANIELL</b><br><b>314 E. HARGETT STREET, RALEIGH, NC 27611</b>  |  |            | <b>H(c)</b> Group exemption number   |
| <b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527   |  |            |  |
| <b>J</b> Website: <b>N/A</b>  |  |            |  |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other   |  |            | <b>L</b> Year of formation: <b>1962</b> <b>M</b> State of legal domicile <b>NC</b>   |

## Part I Summary

|  |   |  |                                   |
|--|---|--|-----------------------------------|
| Activities & Governance  | <b>1</b> Briefly describe the organization's mission or most significant activities <b>SPIRITUAL, MENTAL &amp; PHYSICAL REHABILITATION</b>      |  |                                   |
|  | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets |  |                                   |
|  | <b>3</b> Number of voting members of the governing body (Part VI, line 1a)  | <b>3</b>                                       | <b>12</b>                         |
|  | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)  | <b>4</b>                                       | <b>12</b>                         |
|  | <b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)   | <b>5</b>                                       | <b>73</b>                         |
|  | <b>6</b> Total number of volunteers (estimate if necessary)   | <b>6</b>                                       | <b>3000</b>                       |
|  | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12  | <b>7a</b>                                      | <b>0.</b>                         |
|  | <b>b</b> Net unrelated business taxable income from Form 990-T, line 34   | <b>7b</b>                                      | <b>0.</b>                         |
| Revenue  | <b>8</b> Contributions and grants (Part VIII, line 1h)  | Prior Year<br><b>4,517,059.</b>                | Current Year<br><b>4,726,195.</b> |
|  | <b>9</b> Program service revenue (Part VIII, line 2g)   | <b>17,235.</b>                                 | <b>14,049.</b>                    |
|  | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)   | <b>&lt;58,946.&gt;</b>                         | <b>208,511.</b>                   |
|  | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 10g)  | <b>64,467.</b>                                 | <b>56,951.</b>                    |
|  | <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | <b>4,539,815.</b>                              | <b>5,005,706.</b>                 |
| Expenses   | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)  | <b>0.</b>                                      | <b>0.</b>                         |
|  | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)   | <b>0.</b>                                      | <b>0.</b>                         |
|  | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)   | <b>2,281,205.</b>                              | <b>2,320,460.</b>                 |
|  | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)  | <b>268,171.</b>                                | <b>174,118.</b>                   |
|  | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <b>765,583.</b>  |  |                                   |
|  | <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)  | <b>2,279,869.</b>                              | <b>2,154,081.</b>                 |
|  | <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)   | <b>4,829,245.</b>                              | <b>4,648,659.</b>                 |
| <b>19</b> Revenue less expenses. Subtract line 18 from line 12 | <b>&lt;289,430.&gt;</b>   | <b>357,047.</b>                                |                                   |
| Net Assets or Fund Balances                                    | <b>20</b> Total assets (Part X, line 16)  | Beginning of Current Year<br><b>5,724,659.</b> | End of Year<br><b>6,074,349.</b>  |
|  | <b>21</b> Total liabilities (Part X, line 26)   | <b>209,290.</b>                                | <b>201,933.</b>                   |
|  | <b>22</b> Net assets or fund balances Subtract line 21 from line 20   | <b>5,515,369.</b>                              | <b>5,872,416.</b>                 |

## Part II Signature Block

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.

|                               |   |   |                         |   |                          |
|-------------------------------|---|---|-------------------------|---|--------------------------|
| <b>Sign Here</b>              | Signature of officer<br><i>Lynn Daniell</i>                             | Date<br><b>11/16/12</b>                             |                         |   |                          |
|                               | <b>LYNN DANIELL, EXECUTIVE DIRECTOR</b><br>Type or print name and title |   |                         |   |                          |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br><b>Linwood C. Faulconer</b>               | Preparer's signature<br><i>Linwood C. Faulconer</i> | Date<br><b>11/13/12</b> | Check if self-employed <input type="checkbox"/> | PTIN<br><b>P00445962</b> |
|                               | Firm's name<br><b>Koonce, Wooten &amp; Haywood, LLP</b>                 | Firm's EIN<br><b>56-0517823</b>                     |                         |   |                          |
|                               | Firm's address<br><b>P. O. Box 17806<br/>Raleigh, NC 27619-7806</b>     | Phone no. <b>919-782-9265</b>                       |                         |   |                          |

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

X

1 Briefly describe the organization's mission.

THROUGH THE LOVE OF JESUS CHRIST, RALEIGH RESCUE MISSION REBUILDS BROKEN LIVES OF MEN, WOMEN, AND CHILDREN IN OUR COMMUNITY BY MINISTERING TO THEIR PHYSICAL, EMOTIONAL, AND SPIRITUAL NEEDS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No X

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No X

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ) (Expenses \$ 3,561,662. including grants of \$ ) (Revenue \$ 4,726,195.)

RALEIGH RESCUE MISSION PROVIDES SHORT & LONG-TERM PROGRAMS TO HELP HOMELESS MEN, WOMEN & CHILDREN RECEIVE THE CARE & ASSISTANCE NEEDED TO REBUILD THEIR LIVES BY PROVIDING FOOD, CLOTHES, SHELTER, MEDICAL CARE, RECOVERY & REHABILITATION, & EMERGENCY OVERNIGHT SERVICES. THE MISSION'S LONG-TERM RECOVERY & REHABILITATION PROGRAM OFFERS CLIENTS ADDICTION RECOVERY, LIFE ENRICHMENT CLASSES, EMPLOYMENT & HOUSING ASSISTANCE, & AFTER-CARE SERVICES. THE MISSION'S ONSITE ADULT EDUCATION CENTER, WITH GED & VOCATIONAL TRAINING CLASSES, AND CHILDREN'S DEVELOPMENT CENTER HELP FILL LARGE GAPS IN THE COMMUNITY'S EDUCATIONAL SERVICE SYSTEMS FOR BOTH MISSION CLIENTS & PEOPLE "AT RISK" OF BECOMING HOMELESS LOCALLY. THE MISSION'S MEDICAL CLINIC INSURES THAT ALL CLIENTS' GENERAL HEALTH CARE NEEDS ARE MET. THE MISSION ALSO OPERATES A

4b (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 3,561,662.

**Part IV Checklist of Required Schedules**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i>  | X   |    |
| <b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?   | X   |    |
| <b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>  |     | X  |
| <b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>  |     | X  |
| <b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>   |     | X  |
| <b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>  |     | X  |
| <b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>  |     | X  |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>   |     | X  |
| <b>9</b> Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>   |     | X  |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>   |     | X  |
| <b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |     |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>   | X   |    |
| <b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>   |     | X  |
| <b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>   |     | X  |
| <b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>  |     | X  |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>   |     | X  |
| <b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>  | X   |    |
| <b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>   |     | X  |
| <b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year?<br><i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>   | X   |    |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>  |     | X  |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?  |     | X  |
| <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> |     | X  |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>  |     | X  |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>  |     | X  |
| <b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>   | X   |    |
| <b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>   | X   |    |
| <b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>   |     | X  |
| <b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>   |     | X  |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?   |     |    |

**Part IV Checklist of Required Schedules** (continued)

|  | Yes | No |
|--|-----|----|
| <b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>   |     | X  |
| <b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>   |     | X  |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>  |     | X  |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>                            |     | X  |
| <b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?   |     |    |
| <b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?  |     |    |
| <b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?   |     |    |
| <b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>   |     | X  |
| <b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>                                      |     | X  |
| <b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>  |     | X  |
| <b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> |     | X  |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| <b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>  |     | X  |
| <b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>   |     | X  |
| <b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>   |     | X  |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>  | X   |    |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>  |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>  |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>  |     | X  |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>  |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>   | X   |    |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?   |     | X  |
| <b>35b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>  |     | X  |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>   |     | X  |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>   |     | X  |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?  | X   |    |

**Note.** All Form 990 filers are required to complete Schedule O

**Part V** Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

|            |  | Yes | No |
|------------|--|-----|----|
| <b>1a</b>  | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.  |     |    |
| <b>1b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.   |     |    |
| <b>1c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | X   |    |
| <b>2a</b>  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.   |     |    |
| <b>2b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).  | X   |    |
| <b>3a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year?  |     | X  |
| <b>3b</b>  | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.  |     |    |
| <b>4a</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)?                                   |     | X  |
| <b>5a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |     | X  |
| <b>5b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |     | X  |
| <b>5c</b>  | If "Yes," to line 5a or 5b, did the organization file Form 8886-T?   |     |    |
| <b>6a</b>  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?  |     | X  |
| <b>6b</b>  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |     |    |
| <b>7</b>   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |     |    |
| <b>7a</b>  | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  |     | X  |
| <b>7b</b>  | If "Yes," did the organization notify the donor of the value of the goods or services provided?  |     |    |
| <b>7c</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   |     | X  |
| <b>7d</b>  | If "Yes," indicate the number of Forms 8282 filed during the year.   |     |    |
| <b>7e</b>  | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  |     |    |
| <b>7f</b>  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |     |    |
| <b>7g</b>  | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   |     |    |
| <b>7h</b>  | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   |     |    |
| <b>8</b>   | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |     |    |
| <b>9</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b>   |     |    |
| <b>9a</b>  | Did the organization make any taxable distributions under section 4966?  |     |    |
| <b>9b</b>  | Did the organization make a distribution to a donor, donor advisor, or related person?   |     |    |
| <b>10</b>  | <b>Section 501(c)(7) organizations.</b> Enter:   |     |    |
| <b>10a</b> | Initiation fees and capital contributions included on Part VIII, line 12.  |     |    |
| <b>10b</b> | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.   |     |    |
| <b>11</b>  | <b>Section 501(c)(12) organizations.</b> Enter:  |     |    |
| <b>11a</b> | Gross income from members or shareholders.   |     |    |
| <b>11b</b> | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   |     |    |
| <b>12a</b> | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  |     |    |
| <b>12b</b> | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.   |     |    |
| <b>13</b>  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |     |    |
| <b>13a</b> | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.   |     |    |
| <b>13b</b> | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.   |     |    |
| <b>13c</b> | Enter the amount of reserves on hand.  |     |    |
| <b>14a</b> | Did the organization receive any payments for indoor tanning services during the tax year?   |     | X  |
| <b>14b</b> | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.   |     |    |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

Check if Schedule O contains a response to any question in this Part VI  X

**Section A. Governing Body and Management**

|  | Yes | No |
|--|-----|----|
| <b>1a</b> Enter the number of voting members of the governing body at the end of the tax year<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. |     |    |
| <b>1b</b> Enter the number of voting members included in line 1a, above, who are independent   |     |    |
| <b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?   |     | X  |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?  |     | X  |
| <b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?  | X   |    |
| <b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?  |     | X  |
| <b>6</b> Did the organization have members or stockholders?  |     | X  |
| <b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?   |     | X  |
| <b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?   |     | X  |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:   |     |    |
| <b>a</b> The governing body?   | X   |    |
| <b>b</b> Each committee with authority to act on behalf of the governing body?   | X   |    |
| <b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O  |     | X  |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

|   | Yes | No |
|---|-----|----|
| <b>10a</b> Did the organization have local chapters, branches, or affiliates?   |     | X  |
| <b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?   |     |    |
| <b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?  | X   |    |
| <b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990   |     |    |
| <b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13  | X   |    |
| <b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?  | X   |    |
| <b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done   | X   |    |
| <b>13</b> Did the organization have a written whistleblower policy?   | X   |    |
| <b>14</b> Did the organization have a written document retention and destruction policy?  | X   |    |
| <b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?  |     |    |
| <b>a</b> The organization's CEO, Executive Director, or top management official   | X   |    |
| <b>b</b> Other officers or key employees of the organization<br>If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).   | X   |    |
| <b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  |     | X  |
| <b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? |     |    |

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **NC**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **LYNN DANIELL - 919-828-9014**  
**314 E. HARGETT STREET, RALEIGH, NC 27611**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter 0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

| (A)<br>Name and Title                     | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |          | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|----------|--|---|---|
|   |  | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former   |  |   |   |
| (1) GEORGE SEAMEN III<br>DIRECTOR         | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (2) MARTIN ARMES<br>DIRECTOR              | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (3) MATTHEW BLACK<br>DIRECTOR--           | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (4) JULE SMITH<br>DIRECTOR                | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (5) JIM WILEY<br>DIRECTOR                 | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (6) LYNN DANIELL<br>EXECUTIVE DIRECTOR    | 40.00  | X   |                       |         |              |                              | 100,418. | 0.   | 0.  |   |
| (7) MAHLON L. AYCOCK<br>DIRECTOR          | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (8) PHIL BRICKLE<br>DIRECTOR              | 1.00   | X   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| (9) LARRY C. STRICKLAND<br>VICE PRESIDENT | 1.00   |   |                       | X       |              |                              | 0.       | 0.   | 0.  |   |
| (10) FRANCES D. BISBY<br>SECRETARY        | 1.00   |   |                       | X       |              |                              | 0.       | 0.   | 0.  |   |
| (11) DAVID DIVINE<br>PRESIDENT            | 1.00   |   |                       | X       |              |                              | 0.       | 0.   | 0.  |   |
| (12) LARRY CAISON<br>TREASURER            | 1.00   |   |                       | X       |              |                              | 0.       | 0.   | 0.  |   |
| (13) ROBERT K. STANLEY<br>DIRECTOR        | 1.00   |   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
|   |  |   |                       |         |              |                              |          |  |   |   |
|   |  |   |                       |         |              |                              |          |  |   |   |
|   |  |   |                       |         |              |                              |          |  |   |   |
|   |  |   |                       |         |              |                              |          |  |   |   |

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A)<br>Name and title  | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box unless person is both an officer and a director/trustee) |                       |         |              |                              |          | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099 MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|----------|--|---|---|
|  |  | Individual trustee or director   | Institutional trustee | Officer | Key employee | Highest compensated employee | Former   |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
|  |  |  |                       |         |              |                              |          |  |   |   |
| <b>1b Sub-total</b>  |  |  |                       |         |              |                              | 100,418. | 0.   | 0.  |   |
| <b>c Total from continuation sheets to Part VII, Section A</b> |  |  |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| <b>d Total (add lines 1b and 1c)</b>                           |  |  |                       |         |              |                              | 100,418. | 0.   | 0.  |   |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

|  | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual  |     | X  |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual |     | X  |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person                       |     | X  |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address                           | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| MASTERWORKS, 19462 POWDER HILL PLACE NE, POULSBO, WA 98370 | PROFESSIONAL FUNDRAISING       | 213,623.            |
| ONEICITY, 1122 MADISON AVE N, BAINBRIDGE ISLAND, WA 98110  | PROFESSIONAL FUNDRAISING       | 147,727.            |
|  |                                |                     |
|  |                                |                     |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

**Part VIII** Statement of Revenue

|   |   |   | (A)<br>Total revenue    | (B)<br>Related or<br>exempt function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections 512,<br>513, or 514 |  |
|---|---|---|-------------------------|---|---|--|--|
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1 a   | Federated campaigns   |                         |   |   |  |  |
|   |   | 1a  |                         |   |   |  |  |
|   | b   | Membership dues   |                         |   |   |  |  |
|   |   | 1b  |                         |   |   |  |  |
|   | c   | Fundraising events  |                         |   |   |  |  |
|   |   | 1c  |                         |   |   |  |  |
|   | d   | Related organizations   | 22,568.                 |   |   |  |  |
|   |   | 1d  |                         |   |   |  |  |
|   | e   | Government grants (contributions)   |                         |   |   |  |  |
|   | 1e  |   |                         |   |   |  |  |
| f   | All other contributions, gifts, grants, and<br>similar amounts not included above   | 4,703,627.  |                         |   |   |  |  |
|   | 1f  |   |                         |   |   |  |  |
| g   | Noncash contributions included in lines 1a-1f \$  | 1,096,641.  |                         |   |   |  |  |
| h   | <b>Total.</b> Add lines 1a-1f   |   | 4,726,195.              |   |   |  |  |
| Program Service<br>Revenue                                | 2 a   | <b>SALE OF DONATED ITEMS</b>  | Business Code<br>453310 | 14,049.   |   | 14,049.  |  |
|   | b   |   |                         |   |   |  |  |
|   | c   |   |                         |   |   |  |  |
|   | d   |   |                         |   |   |  |  |
|   | e   |   |                         |   |   |  |  |
|   | f   | All other program service revenue   |                         |   |   |  |  |
|   | g   | <b>Total.</b> Add lines 2a-2f   |                         | 14,049.   |   |  |  |
| Other Revenue   | 3   | Investment income (including dividends, interest, and<br>other similar amounts) |                         | 1,812.  |   | 1,812.   |  |
|   | 4   | Income from investment of tax-exempt bond proceeds                              |                         |   |   |  |  |
|   | 5   | Royalties   |                         |   |   |  |  |
|   | 6 a   | Gross rents   | (i) Real                | (ii) Personal                                   |   |  |  |
|   |   |   |                         |   |   |  |  |
|   |   |   |                         |   |   |  |  |
|   |   |   |                         |   |   |  |  |
|   | b   | Less: rental expenses   |                         |   |   |  |  |
|   | c   | Rental income or (loss)   |                         |   |   |  |  |
|   | d   | Net rental income or (loss)   |                         |   |   |  |  |
|   | 7 a   | Gross amount from sales of<br>assets other than inventory                       | (i) Securities          | (ii) Other                                      |   |  |  |
|   |   |   |                         |   | 1700000.                                |  |  |
|   |   |   |                         |   |   |  |  |
|   |   |   |                         |   |   |  |  |
|   | b   | Less: cost or other basis<br>and sales expenses                                 |                         |   | 1493301.                                |  |  |
| c   | Gain or (loss)  |   |                         | 206,699.  |   |  |  |
| d   | Net gain or (loss)  |   |                         | 206,699.  | 206,699.                                |  |  |
| 8 a   | Gross income from fundraising events (not<br>including \$ _____ of<br>contributions reported on line 1c). See<br>Part IV, line 18 | a   |                         | 64,673.   |   |  |  |
|   |   | b   |                         | 14,779.   |   |  |  |
|   |   |   |                         | 49,894.   |   | 49,894.  |  |
| 9 a   | Gross income from gaming activities. See<br>Part IV, line 19  |   |                         |   |   |  |  |
| b   | Less: direct expenses   |   |                         |   |   |  |  |
| c   | Net income or (loss) from gaming activities   |   |                         |   |   |  |  |
| 10 a  | Gross sales of inventory, less returns<br>and allowances  | a   |                         |   |   |  |  |
|   |   | b   |                         |   |   |  |  |
|   |   |   |                         |   |   |  |  |
| b   | Less: cost of goods sold  |   |                         |   |   |  |  |
| c   | Net income or (loss) from sales of inventory  |   |                         |   |   |  |  |
| Miscellaneous Revenue                                     |   |   | Business Code           |   |   |  |  |
| 11 a  | <b>SALES TAX REFUND</b>   | 900099  | 3,820.                  |   | 3,820.                                  |  |  |
| b   | <b>MISCELLANEOUS INCOME</b>   | 900099  | 3,408.                  |   | 3,408.                                  |  |  |
| c   | <b>DECREASE CASH SURRENDE</b>   | 523000  | <171.>                  |   | <171.>                                  |  |  |
| d   | All other revenue   |   |                         |   |   |  |  |
| e   | <b>Total.</b> Add lines 11a-11d   |   | 7,057.                  |   |   |  |  |
| 12  | <b>Total revenue.</b> See instructions.   |   | 5,005,706.              | 0.  | 0.                                      | 279,511.   |  |

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21   |                       |                                 |  |                             |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22   |                       |                                 |  |                             |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| 4 Benefits paid to or for members   |                       |                                 |  |                             |
| 5 Compensation of current officers, directors, trustees, and key employees  | 102,685.              | 45,207.                         | 37,456.                                | 20,022.                     |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| 7 Other salaries and wages  | 1,786,379.            | 1,453,877.                      | 155,200.                               | 177,302.                    |
| 8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)  | 58,000.               | 38,000.                         | 14,000.                                | 6,000.                      |
| 9 Other employee benefits   | 225,826.              | 192,673.                        | 16,645.                                | 16,508.                     |
| 10 Payroll taxes  | 147,570.              | 118,074.                        | 16,539.                                | 12,957.                     |
| 11 Fees for services (non employees).   |                       |                                 |  |                             |
| a Management  |                       |                                 |  |                             |
| b Legal   |                       |                                 |  |                             |
| c Accounting  | 10,600.               |                                 | 10,600.                                |                             |
| d Lobbying  |                       |                                 |  |                             |
| e Professional fundraising services. See Part IV, line 17   | 174,118.              |                                 |  | 174,118.                    |
| f Investment management fees  |                       |                                 |  |                             |
| g Other   |                       |                                 |  |                             |
| 12 Advertising and promotion  |                       |                                 |  |                             |
| 13 Office expenses  | 62,573.               | 17,586.                         | 40,903.                                | 4,084.                      |
| 14 Information technology   |                       |                                 |  |                             |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 69,786.               | 63,506.                         | 3,976.                                 | 2,304.                      |
| 17 Travel   | 25,660.               | 14,547.                         | 6,046.                                 | 5,067.                      |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   |                       |                                 |  |                             |
| 20 Interest   |                       |                                 |  |                             |
| 21 Payments to affiliates   |                       |                                 |  |                             |
| 22 Depreciation, depletion, and amortization  | 155,458.              | 146,018.                        | 2,513.                                 | 6,927.                      |
| 23 Insurance  | 61,997.               | 54,252.                         | 4,737.                                 | 3,008.                      |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) |                       |                                 |  |                             |
| a <b>IN-KIND PROGRAM EXPENSE</b>  | 1,079,366.            | 1,079,366.                      |  |                             |
| b <b>PRINTING AND POSTAGE</b>   | 273,780.              | 53,019.                         | 828.                                   | 219,933.                    |
| c <b>MEDIA, COMMUNICATIONS &amp;</b>  | 160,182.              | 53,928.                         |  | 106,254.                    |
| d <b>REPAIRS &amp; MAINTENANCE</b>  | 77,602.               | 67,532.                         | 4,462.                                 | 5,608.                      |
| e All other expenses  | 177,077.              | 164,077.                        | 7,509.                                 | 5,491.                      |
| 25 <b>Total functional expenses.</b> Add lines 1 through 24e  | 4,648,659.            | 3,561,662.                      | 321,414.                               | 765,583.                    |
| 26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                              |                       |                                 |  |                             |

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

|   |  | (A)<br>Beginning of year |                       | (B)<br>End of year |
|---|--|--------------------------|-----------------------|--------------------|
| <b>Assets</b>   | <b>1</b> Cash - non-interest-bearing   | 392,015.                 | <b>1</b>              | 1,950,314.         |
|   | <b>2</b> Savings and temporary cash investments  | 251,009.                 | <b>2</b>              | 500,821.           |
|   | <b>3</b> Pledges and grants receivable, net  | 30,428.                  | <b>3</b>              | 17,500.            |
|   | <b>4</b> Accounts receivable, net  | 24,401.                  | <b>4</b>              | 27,608.            |
|   | <b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L   |                          | <b>5</b>              |                    |
|   | <b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) |                          | <b>6</b>              |                    |
|   | <b>7</b> Notes and loans receivable, net   |                          | <b>7</b>              |                    |
|   | <b>8</b> Inventories for sale or use   |                          | <b>8</b>              |                    |
|   | <b>9</b> Prepaid expenses and deferred charges   | 57,706.                  | <b>9</b>              | 82,675.            |
|   | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D   | <b>10a</b> 5,145,779.    |                       |                    |
|   | <b>b</b> Less accumulated depreciation   | <b>10b</b> 1,677,874.    | <b>10c</b> 4,941,403. | 3,467,905.         |
|   | <b>11</b> Investments - publicly traded securities   |                          | <b>11</b>             |                    |
|   | <b>12</b> Investments - other securities. See Part IV, line 11   |                          | <b>12</b>             |                    |
|   | <b>13</b> Investments - program-related. See Part IV, line 11  |                          | <b>13</b>             |                    |
|   | <b>14</b> Intangible assets  |                          | <b>14</b>             |                    |
|   | <b>15</b> Other assets. See Part IV, line 11   | 27,697.                  | <b>15</b>             | 27,526.            |
| <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) | 5,724,659.   | <b>16</b>                | 6,074,349.            |                    |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses  | 184,290.                 | <b>17</b>             | 201,933.           |
|   | <b>18</b> Grants payable   |                          | <b>18</b>             |                    |
|   | <b>19</b> Deferred revenue   |                          | <b>19</b>             |                    |
|   | <b>20</b> Tax-exempt bond liabilities  |                          | <b>20</b>             |                    |
|   | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D  |                          | <b>21</b>             |                    |
|   | <b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L   |                          | <b>22</b>             |                    |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties   |                          | <b>23</b>             |                    |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties   |                          | <b>24</b>             |                    |
|   | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D  | 25,000.                  | <b>25</b>             | 0.                 |
|   | <b>26 Total liabilities.</b> Add lines 17 through 25   | 209,290.                 | <b>26</b>             | 201,933.           |
| <b>Net Assets or Fund Balances</b>                                  | <b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>   |                          |                       |                    |
|   | <b>27</b> Unrestricted net assets  | 5,490,979.               | <b>27</b>             | 5,823,453.         |
|   | <b>28</b> Temporarily restricted net assets  | 24,390.                  | <b>28</b>             | 48,963.            |
|   | <b>29</b> Permanently restricted net assets  |                          | <b>29</b>             |                    |
|   | <b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>  |                          |                       |                    |
|   | <b>30</b> Capital stock or trust principal, or current funds   |                          | <b>30</b>             |                    |
|   | <b>31</b> Paid-in or capital surplus, or land, building, or equipment fund   |                          | <b>31</b>             |                    |
|   | <b>32</b> Retained earnings, endowment, accumulated income, or other funds   |                          | <b>32</b>             |                    |
| <b>33</b> Total net assets or fund balances                         | 5,515,369.   | <b>33</b>                | 5,872,416.            |                    |
| <b>34</b> Total liabilities and net assets/fund balances            | 5,724,659.   | <b>34</b>                | 6,074,349.            |                    |

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

|   |   |   |            |
|---|---|---|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)   | 1 | 5,005,706. |
| 2 | Total expenses (must equal Part IX, column (A), line 25)  | 2 | 4,648,659. |
| 3 | Revenue less expenses. Subtract line 2 from line 1  | 3 | 357,047.   |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | 5,515,369. |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)  | 5 | 0.         |
| 6 | Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 5,872,416. |

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

1 Accounting method used to prepare the Form 990  Cash  Accrual  Other \_\_\_\_\_

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

|    | Yes | No |
|----|-----|----|
| 2a |     | X  |
| 2b | X   |    |
| 2c | X   |    |
| 3a |     | X  |
| 3b |     |    |

Form 990 (2011)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")  | 2819208. | 4558239. | 3878184. | 4517059. | 4726195. | 20498885. |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf   |          |          |          |          |          |           |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge   |          |          |          |          |          |           |
| <b>4 Total.</b> Add lines 1 through 3  | 2819208. | 4558239. | 3878184. | 4517059. | 4726195. | 20498885. |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |          |           |
| <b>6 Public support.</b> Subtract line 5 from line 4   |          |          |          |          |          | 20498885. |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>7</b> Amounts from line 4   | 2819208. | 4558239. | 3878184. | 4517059. | 4726195. | 20498885. |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources  | 15,376.  | 898.     | 638.     | 12,109.  | 1,812.   | 30,833.   |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on  |          |          |          |          |          |           |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)  |          |          |          |          |          |           |
| <b>11 Total support.</b> Add lines 7 through 10  |          |          |          |          |          | 20529718. |
| <b>12</b> Gross receipts from related activities, etc. (see instructions)  |          |          |          |          | 71,262.  |           |
| <b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> |          |          |          |          |          |           |

**Section C. Computation of Public Support Percentage**

|   |    |       |   |
|---|----|-------|---|
| <b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))  | 14 | 99.85 | % |
| <b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14  | 15 | 99.64 | % |
| <b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>   |    |       |   |
| <b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>   |    |       |   |
| <b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>    |    |       |   |
| <b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> |    |       |   |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>   |    |       |   |

Schedule A (Form 990 or 990-EZ) 2011

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b  |          |          |          |          |          |           |
| <b>8 Public support</b> (Subtract line 7c from line 6.)   |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                          |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b  |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on     |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                 |          |          |          |          |          |           |
| <b>13 Total support</b> (Add lines 9, 10c, 11, and 12.)   |          |          |          |          |          |           |

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here  ►

**Section C. Computation of Public Support Percentage**

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) | <b>15</b> | % |
| <b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15                      | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17                        | <b>18</b> | % |

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization  ►

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization  ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions  ►

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

**RALEIGH RESCUE MISSION, INC.**

Employer identification number

**56-6024168**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

|   | (a) Donor advised funds | (b) Funds and other accounts                             |
|---|-------------------------|--|
| 1 Total number at end of year   |                         |  |
| 2 Aggregate contributions to (during year)  |                         |  |
| 3 Aggregate grants from (during year)   |                         |  |
| 4 Aggregate value at end of year  |                         |  |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

|  | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements   |                                 |
| b Total acreage restricted by conservation easements   |                                 |
| c Number of conservation easements on a certified historic structure included in (a)   |                                 |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register |                                 |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

|    | Amount |
|----|--------|
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     |                  |                |                    |                      |                     |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            |                  |                |                    |                      |                     |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

|        | Yes | No |
|--------|-----|----|
| 3a(i)  |     |    |
| 3a(ii) |     |    |
| 3b     |     |    |

b If "Yes" to 3a(i), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value    |
|--|--------------------------------------|---------------------------------|------------------------------|-------------------|
| 1a Land  | 975,275.                             | 52,359.                         |                              | 1,027,634.        |
| b Buildings  |                                      | 3,777,055.                      | 1,486,998.                   | 2,290,057.        |
| c Leasehold improvements   |                                      |                                 |                              |                   |
| d Equipment  |                                      | 204,118.                        | 91,008.                      | 113,110.          |
| e Other  |                                      | 136,972.                        | 99,868.                      | 37,104.           |
| <b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) |                                      |                                 |                              | <b>3,467,905.</b> |

Part VII Investments - Other Securities. See Form 990, Part X, line 12

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Rows include Financial derivatives, Closely-held equity interests, and Other (A-I).

Total. (Col (b) must equal Form 990, Part X, col (B) line 12.)

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation. Rows numbered 1 through 10.

Total. (Col (b) must equal Form 990, Part X, col (B) line 13.)

Part IX Other Assets. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value. Rows numbered 1 through 10.

Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)

Part X Other Liabilities. See Form 990, Part X, line 25.

Table with 2 columns: (a) Description of liability, (b) Book value. Row 1 includes Federal income taxes, followed by rows 2 through 11.

Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)

FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

|    |   |    |  |
|----|---|----|--|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                                | 1  |  |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                                 | 2  |  |
| 3  | Excess or (deficit) for the year Subtract line 2 from line 1                            | 3  |  |
| 4  | Net unrealized gains (losses) on investments  | 4  |  |
| 5  | Donated services and use of facilities  | 5  |  |
| 6  | Investment expenses   | 6  |  |
| 7  | Prior period adjustments  | 7  |  |
| 8  | Other (Describe in Part XIV)  | 8  |  |
| 9  | Total adjustments (net). Add lines 4 through 8  | 9  |  |
| 10 | Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9 | 10 |  |

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

|   |  |    |  |
|---|--|----|--|
| 1 | Total revenue, gains, and other support per audited financial statements       | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:            |    |  |
| a | Net unrealized gains on investments  | 2a |  |
| b | Donated services and use of facilities   | 2b |  |
| c | Recoveries of prior year grants  | 2c |  |
| d | Other (Describe in Part XIV)   | 2d |  |
| e | Add lines 2a through 2d  | 2e |  |
| 3 | Subtract line 2e from line 1   | 3  |  |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:           |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b               | 4a |  |
| b | Other (Describe in Part XIV)   | 4b |  |
| c | Add lines 4a and 4b  | 4c |  |
| 5 | Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5  |  |

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

|   |  |    |  |
|---|--|----|--|
| 1 | Total expenses and losses per audited financial statements                       | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                |    |  |
| a | Donated services and use of facilities   | 2a |  |
| b | Prior year adjustments   | 2b |  |
| c | Other losses   | 2c |  |
| d | Other (Describe in Part XIV)   | 2d |  |
| e | Add lines 2a through 2d  | 2e |  |
| 3 | Subtract line 2e from line 1   | 3  |  |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:               |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                 | 4a |  |
| b | Other (Describe in Part XIV.)  | 4b |  |
| c | Add lines 4a and 4b  | 4c |  |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5  |  |

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information.

**Part X, Line 2: IT IS THE MISSION'S POLICY TO EVALUATE ALL TAX**

**POSITIONS TO IDENTIFY THOSE THAT MAY BE CONSIDERED UNCERTAIN.**

**ALL IDENTIFIED MATERIAL TAX POSITIONS ARE ASSESSED AND**

**MEASURED BY A "MORE-LIKELY-THAN-NOT" THRESHOLD TO DETERMINE**

**IF THE BENEFIT OF ANY UNCERTAIN TAX POSITION SHOULD BE**

**RECOGNIZED IN THE FINANCIAL STATEMENTS. ANY CHANGES IN THE**

**AMOUNT OF A TAX POSITION ARE RECOGNIZED IN THE PERIOD THE**

**CHANGE OCCURS.**



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000

|                 |    | (a) Event #1   | (b) Event #2                         | (c) Other events       | (d) Total events                  |
|-----------------|----|--|--------------------------------------|------------------------|-----------------------------------|
|                 |    | DOWNTOWN<br>RALEIGH FESTHOPE<br>(event type)               | HEARTS OF<br>FUNDRAI<br>(event type) | None<br>(total number) | (add col (a) through<br>col. (c)) |
| Revenue         | 1  | Gross receipts   | 7,500.                               | 57,173.                | 64,673.                           |
|                 | 2  | Less Charitable contributions                              |                                      |                        |                                   |
|                 | 3  | Gross income (line 1 minus line 2)                         | 7,500.                               | 57,173.                | 64,673.                           |
| Direct Expenses | 4  | Cash prizes  |                                      |                        |                                   |
|                 | 5  | Noncash prizes   |                                      |                        |                                   |
|                 | 6  | Rent/facility costs  |                                      |                        |                                   |
|                 | 7  | Food and beverages   |                                      |                        |                                   |
|                 | 8  | Entertainment  |                                      |                        |                                   |
|                 | 9  | Other direct expenses                                      | 2,927.                               | 11,852.                | 14,779.                           |
|                 | 10 | Direct expense summary Add lines 4 through 9 in column (d) |                                      |                        | ( 14,779 )                        |
|                 | 11 | Net income summary Combine line 3, column (d), and line 10 |                                      |                        | 49,894.                           |

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

|                 |   | (a) Bingo             | (b) Pull tabs/instant<br>bingo/progressive bingo                    | (c) Other gaming  | (d) Total gaming (add<br>col. (a) through col. (c))                 |
|-----------------|---|-----------------------|---|---|---|
|                 |   | 1                     | Gross revenue   |   |   |
| Direct Expenses | 2   | Cash prizes           |   |   |   |
|                 | 3   | Noncash prizes        |   |   |   |
|                 | 4   | Rent/facility costs   |   |   |   |
|                 | 5   | Other direct expenses |   |   |   |
|                 | 6   | Volunteer labor       | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No |
| 7               | Direct expense summary. Add lines 2 through 5 in column (d)     |                       |   |   | ( )   |
| 8               | Net gaming income summary. Combine line 1, column d, and line 7 |                       |   |   |   |

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?  Yes  No

b If "No," explain \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

b If "Yes," explain \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

|            |  |   |
|------------|--|---|
| <b>13a</b> |  | % |
| <b>13b</b> |  | % |

  - a The organization's facility
  - b An outside facility
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c If "Yes," enter name and address of the third party

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_  
 Gaming manager compensation ▶ \$ \_\_\_\_\_  
 Description of services provided ▶ \_\_\_\_\_  
 \_\_\_\_\_  
 Director/officer       Employee       Independent contractor

17 Mandatory distributions.

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**Schedule G, Part I, Line 2b, List of Ten Highest Paid Fundraisers:**

(i) Name of Fundraiser: **ONEICITY**  
 (i) Address of Fundraiser: **1122 MADISON AVE N, BAINBRIDGE ISLAND, WA 98110**

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

OMB No 1545-0047

**2011**

Open to Public Inspection

Name of the organization **RALEIGH RESCUE MISSION, INC.** Employer identification number **56-6024168**

| Part I | Types of Property   | (a)<br>Check if applicable | (b)<br>Number of contributions or items contributed | (c)<br>Noncash contribution amounts reported on Form 990, Part VIII, line 1g | (d)<br>Method of determining noncash contribution amounts |
|--------|---|----------------------------|---|--|---|
| 1      | Art - Works of art  |                            |   |  |   |
| 2      | Art - Historical treasures                                |                            |   |  |   |
| 3      | Art - Fractional interests                                |                            |   |  |   |
| 4      | Books and publications                                    |                            |   |  |   |
| 5      | Clothing and household goods                              | X                          |   | 484,545.   | THRIFT SHOP VALUE   |
| 6      | Cars and other vehicles                                   | X                          | 2   | 13,438.  | COST  |
| 7      | Boats and planes  |                            |   |  |   |
| 8      | Intellectual property                                     |                            |   |  |   |
| 9      | Securities - Publicly traded                              |                            |   |  |   |
| 10     | Securities - Closely held stock                           |                            |   |  |   |
| 11     | Securities - Partnership, LLC, or trust interests         |                            |   |  |   |
| 12     | Securities - Miscellaneous                                |                            |   |  |   |
| 13     | Qualified conservation contribution - Historic structures |                            |   |  |   |
| 14     | Qualified conservation contribution - Other               |                            |   |  |   |
| 15     | Real estate - Residential                                 |                            |   |  |   |
| 16     | Real estate - Commercial                                  |                            |   |  |   |
| 17     | Real estate - Other                                       |                            |   |  |   |
| 18     | Collectibles  |                            |   |  |   |
| 19     | Food inventory  | X                          | 2,687   | 328,002.   | COST OF FOOD  |
| 20     | Drugs and medical supplies                                | X                          | 398   | 20,842.  | COST OF SUPPLIES  |
| 21     | Taxidermy   |                            |   |  |   |
| 22     | Historical artifacts                                      |                            |   |  |   |
| 23     | Scientific specimens                                      |                            |   |  |   |
| 24     | Archeological artifacts                                   |                            |   |  |   |
| 25     | Other ▶ ( MISCELLANEOUS )                                 | X                          | 4,047   | 213,423.   | THRIFT SHOP VALUE   |
| 26     | Other ▶ ( WAREHOUSE & O )                                 | X                          | 286   | 35,054.  | THRIFT SHOP VALUE   |
| 27     | Other ▶ ( GIFT CARDS )                                    | X                          | 20  | 1,337.   | COST  |
| 28     | Other ▶ ( )   |                            |   |  |   |

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

|   | Yes | No |
|---|-----|----|
| 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? |     | X  |
| b If "Yes," describe the arrangement in Part II.  |     |    |
| 31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?  |     | X  |
| 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?  |     | X  |
| b If "Yes," describe in Part II.  |     |    |
| 33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.  |     |    |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2011)

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2011**  
Open to Public  
Inspection

Name of the organization

**RALEIGH RESCUE MISSION, INC.**

Employer identification number

**56-6024168**

Form 990, Part III, Line 4a, Program Service Accomplishments:

DONATION CENTER WHERE TONS OF USED, DONATED GOODS ARE RECEIVED &  
DISTRIBUTED TO MISSION CLIENTS WITH ANY EXCESS GOODS GOING TO OTHER  
LOCAL ORGANIZATIONS SERVING THE POOR & HOMELESS.

Form 990, Part VI, Section A, line 4: THE MISSION AMENDED ITS BY-LAWS IN  
ORDER TO DEFINE CERTAIN VOTING PROCESSES, QUORUM AND VOTES ADMINISTERED  
ELECTRONICALLY.

Form 990, Part VI, Section B, line 11: THE RALEIGH RESCUE MISSION, INC'S  
BOARD OF DIRECTORS REVIEW AND APPROVE FORM 990 AT A MONTHLY BOARD MEETING  
PRIOR TO FORM 990 BEING FILED.

Form 990, Part VI, Section B, Line 12c: ALL BOARD MEMBERS ARE ASKED TO  
SIGN THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

Form 990, Part VI, Section B, Line 15: THE PRESIDENT OF THE BOARD CONDUCTS  
A PERFORMANCE REVIEW WITH THE EXECUTIVE DIRECTOR ANNUALLY. THE PRESIDENT  
PRESENTS A SALARY RECOMMENDATION TO THE BOARD AT THE AUGUST MEETING FOR THE  
NEXT BUDGET YEAR. AT THIS MEETING THE BOARD DISCUSSES THE SALARY  
RECOMMENDATION AND APPROVES THE EXECUTIVE DIRECTOR'S PAY FOR THE NEXT  
BUDGET YEAR.

THE OTHER KEY EMPLOYEES' SALARIES ARE INCLUDED IN THE SALARY BUDGET  
PROPOSED BY THE EXECUTIVE DIRECTOR. THE ANNUAL BUDGET IS REVIEWED AND  
APPROVED AT THE AUGUST BOARD MEETING.

Name of the organization

RALEIGH RESCUE MISSION, INC.

Employer identification number

56-6024168

Form 990, Part VI, Section C, Line 19: THE RALEIGH RESCUE MISSION, INC. IS NOT REQUIRED TO PROVIDE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS TO THE PUBLIC. HOWEVER IF A POTENTIAL DONOR WOULD LIKE TO REVIEW THIS INFORMATION IT WOULD BE AVAILABLE UPON REQUEST.

FORM 990, PART XI LINE 2C: THE RALEIGH RESCUE MISSION, INC'S BOARD OF DIRECTORS ARE RESPONSIBLE FOR OVERSIGHT OF THE AUDIT, REVIEW OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT AUDITOR.





**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

**f** Sale of assets to related organization(s)

**g** Purchase of assets from related organization(s)

**h** Exchange of assets with related organization(s)

**i** Lease of facilities, equipment, or other assets to related organization(s)

**j** Lease of facilities, equipment, or other assets from related organization(s)

**k** Performance of services or membership or fundraising solicitations for related organization(s)

**l** Performance of services or membership or fundraising solicitations by related organization(s)

**m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

**n** Sharing of paid employees with related organization(s)

**o** Reimbursement paid to related organization(s) for expenses

**p** Reimbursement paid by related organization(s) for expenses

**q** Other transfer of cash or property to related organization(s)

**r** Other transfer of cash or property from related organization(s)

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

|            | (a)<br>Name of other organization       | (b)<br>Transaction type (a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount involved | Yes | No |
|------------|---|-------------------------------|------------------------|--|-----|----|
| <b>(1)</b> | RALEIGH RESCUE MISSION FOUNDATION, INC. | A                             | 22,568                 | NET INVESTMENT EARNINGS                      |     | X  |
| <b>(2)</b> |   |                               |                        |  |     |    |
| <b>(3)</b> |   |                               |                        |  |     |    |
| <b>(4)</b> |   |                               |                        |  |     |    |
| <b>(5)</b> |   |                               |                        |  |     |    |
| <b>(6)</b> |   |                               |                        |  |     |    |





**BYLAWS OF  
THE RALEIGH RESCUE MISSION, INCORPORATED**

ARTICLE I – EXEMPT PURPOSES

Section 1. Charitable and Religious Activities. The Mission is a nonprofit corporation exclusively devoted to charitable and religious purposes including giving aid and assistance to the poor and unfortunate by furnishing them with food, shelter, companionship, clothing, counseling and other services; provided, however, that the Mission shall not engage in any activity not permitted to a corporation organized exclusively for religious, scientific, charitable or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Section 2. Earnings. No part of the net earnings of the Mission shall inure to the benefit of any officer or director. The Mission may, however, reimburse the reasonable expenses of officers and directors.

Section 3. Activities. No part of the activities of the Mission shall consist of participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office, nor shall the Mission carry on business with the general public in a manner similar to organizations operated for profit.

ARTICLE II - OFFICES

Section 1. Principal Office. The principal office of the Mission shall be located at 314 E. Hargett Street, Raleigh, North Carolina.

Section 2. Registered Office. The registered office of the Mission required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office. The registered agent of the Mission shall be the then Executive Director of the Mission and the Mission shall update the identity of the registered agent with the North Carolina Secretary of State upon a change in the Executive Director

Section 3. Other Offices. The Mission may have offices at such other places as the Board of Directors may from time to time determine.

#### ARTICLE III – MEMBERSHIP

The Corporation shall have no members.

#### ARTICLE IV – MEETINGS OF MEMBERS

The Corporation shall have no members.

#### ARTICLE V - DIRECTORS

Section 1. Powers. Management of the Corporation shall be vested in the Board of Directors. Individuals serving on the board shall serve without pay. The Board of Directors shall have the power to make and amend bylaws and rules and regulations pertaining to the operation of the Corporation.

Section 2. Number, Term. The Board of Directors shall consist of not less than ten nor more than sixteen individuals who shall serve for three-year, staggered terms so that approximately one-third of the terms shall expire each year. No individual shall serve more than two consecutive terms, except that a retiring Chairman shall be eligible to be elected as a director for one additional year if retirement as Chairman coincides with the end of his or her second consecutive term as a director.

Section 3. Nomination and Election. The Nominations and Regulations Committee, shall prepare a list of nominees for vacant positions. The nominees shall be presented to the Board for voting and election. A nominee will be elected for office by a vote of a majority of Directors.

Section 4. Resignation and Removal. Any Director may resign at any time by giving notice to the Board, the Chairman or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice.

Section 5. Vacancies. A vacancy occurring on the Board during the year may be filled by a majority of the remaining Board. A Director elected to fill a vacancy shall have the same term as the Director he or she replaced. Any Directorship to be filled by reason of an increase in the authorized number of Directors shall be filled by a majority of the Directors then in office.

Section 6. Chairman of the Board. A Chairman of the Board of Directors shall be approved to serve by a quorum of the Board. The Chairman shall preside at all meetings of the Board of Directors.

Section 7. Quorum. A majority of the members of the Board of Directors, whether in person, by proxy or by teleconference, shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8. Manner of Acting. The act of majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Participation by Directors in any meeting shall be permitted by proxy or by means of teleconference or webconference provided that all Directors participating in the meeting can simultaneously hear each other.

Section 9. Proxy. A Director may be present and vote at any duly called meeting of the Board of Directors by proxy executed in writing by the Director given to another Director; provided that said proxy shall be limited to that meeting.

Section 10. Action by Directors Without Formal Meeting. Action taken by the Directors without a meeting is nevertheless action of the Board of Directors if written consent to the action in question is indicated (which may include, without limitation, written consent by electronic means) by all of the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

#### ARTICLE VI - OFFICERS

Section 1. Number. The officers of the Board shall consist of a Chairman, Vice-Chairman, Treasurer, Secretary and Assistant Secretary. Officers shall serve without pay.

Section 2. Election and Term. The Officers shall be elected by the Board of Directors for one-year terms. An individual may not hold the same office for more than two consecutive terms.

Section 3. Chairman. The Chairman shall be the principal Executive Officer of the Board, and, subject to the control of the Board of Directors, shall oversee management of the Mission in accordance with these Bylaws. The Chairman shall preside at all meetings, appoint committee members, and chair the Executive Committee. The Chairman shall sign, with any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Mission, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, shall perform all duties

normally incident to the office of the Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice-Chairman. The Vice-Chairman shall assume all of the powers and duties of the Chairman in the event of the Chairman's death, disability, resignation or absence. The Vice-Chairman shall automatically succeed to the office of Chairman upon expiration of the final term of the office of the Chairman

Section 5. Secretary. The Secretary shall sign such instruments as may require the Secretary's signature and shall affix the corporate seal to any lawfully executed instrument requiring it.

Section 6. Assistant Secretary. The Assistant Secretary shall assume all of the duties of the Secretary in the event of the Secretary's death, disability, resignation or absence.

Section 9. Treasurer. The Treasurer shall chair the Finance Committee and shall sign such instruments as may require the Treasurer's signature.

#### ARTICLE VII - COMMITTEES

Section 1. Executive. The Executive Committee shall be chaired by the Chairman and composed of the officers and such other Board members as the Chairman shall appoint. This committee shall have the authority of the Board to manage the Mission in intervals between Board meetings. A majority of committee members shall constitute a quorum for the transaction of business. When immediate action of the committee is required, the members may be polled by telephone, and a vote of a majority of members shall be the act of the committee. Notice of committee action by meeting or telephone poll shall be communicated to the Directors the following day, and minutes of the meeting or telephone poll shall be presented to the Board at its next meeting.

Section 2. Long-Range Planning. The Long-Range Planning Committee shall be chaired by a Board member nominated by the Chairman and approved by a quorum of the Board. This committee shall in consultation with the Executive Director develop and annually update plans for Mission development, programs and facilities over a five-year horizon. The number of individuals serving on this committee may be no less than two nor more than five.

Section 3. Community Relations. The Community Relations Committee shall be chaired by a Board member nominated by the Chairman and approved by a quorum of the Board. This

committee shall recommend and lead Board fund-raising and community relations activities and oversee and keep the Board informed regarding all Mission fund-raising and community relations activities. The number of individuals serving on this committee may be no less than two nor more than five.

Section 4. Operations. The Operations Committee shall be chaired by a Board member nominated by the Chairman and approved by a quorum of the Board. This committee shall oversee and keep the Board informed regarding the Mission's programs, policies, personnel and physical properties. . The number of individuals serving on this committee may be no less than two nor more than five.

Section 5. Finance. The Finance Committee shall be chaired by the Treasurer. This committee shall oversee and keep the Board informed regarding all Mission financial activities, records and reports. The Finance Committee shall also counsel staff on preparation of an annual budget for approval by the Board. . The number of individuals serving on this committee may be no less than two nor more than five.

Section 6. Nominations and Regulations. The Nominations and Regulations Committee shall be chaired by a Board member nominated by the Chairman and approved by a quorum of the Board. This committee shall review and recommend revisions of the Mission's charter and bylaws, and nominate officers and directors for election and appointment. . The number of individuals serving on this committee may be no less than two nor more than five.

Section 7. Other. Additional standing committees may be designated by the Board. *ad hoc* committees, not having the authority of the Board in the management of the Mission, may be designated and appointed by the Chairman as needed. Individuals that are not current Board members may be appointed to ad hoc committees as needed.

Section 8. Frequency of Meeting. The Committees of the Board shall meet on an as needed basis as determined by the chairperson of each respective Committee; provided, however, that each Committee shall meet no less frequently than once a year.

#### ARTICLE VIII – FOUNDATION

In order to increase the endowment for the Mission's continued operation, the Board may, in its discretion, pay over to the Raleigh Rescue Mission Foundation, Inc. any unrestricted funds received by the Mission that are not deemed necessary for Mission operations during the current

fiscal year, provided that the Board is satisfied that the Foundation is properly exercising its fiduciary duties to the Mission.

#### ARTICLE IX – CONTRACTS, LOANS AND DEPOSITS

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Mission, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Mission and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. In no event shall the Mission make loans to its Board members or officers.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Mission shall be signed by such officer or officers, agent or agents, of the Mission and in such manner as shall from time to time be determined by resolution of the Board.

Section 4. Deposits. All funds of the Mission not otherwise employed shall be deposited from time to time to the credit of the Mission in such depository or depositories as the Board shall direct.

Section 5. Gifts. The Board may accept on behalf of the Mission any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Mission.

#### ARTICLE X – GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Mission shall consist of two concentric circles between which is the name of the Mission and in the center of which is inscribed "SEAL" and the year of incorporation, 1961. This seal, as impressed on the margin hereof, is adopted as the corporate seal of the Mission.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any Board member under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the charter or Bylaws of the Mission, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Amendments. Except as otherwise provided herein, these Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the Board members then holding office at any regular or special meeting of the Board. The Board of Directors shall have no power to adopt a bylaw providing for the management of the Mission otherwise than by the Board or the Executive Committee.

Notice to the Directors shall be provided by written copies of the proposed changes by any available means prior to the meeting where the changes will be considered for a vote by the Board.

Section 4. Books and Records. The Mission shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board members and committees having any of the authority of the Board.

Section 5. Fiscal Year. The fiscal year of the Mission shall begin on the 1st day of September and end on the 31st day of August.

Section 6. Gender. Wherever the context shall so require, all words herein in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

#### ARTICLE XI - INDEMNIFICATION

Section 1. Expenses and Liabilities. Except as provided below, to the extent and upon the terms and conditions provided by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, the Mission shall indemnify its officers and Directors against liability and litigation expense, including reasonable attorneys' fees, arising out of their status as officers or Directors. The officers and Directors shall be entitled to recover from the Mission, and the Mission shall pay, all reasonable costs, expenses, and attorneys' fees in connection with the enforcement of rights to indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other right to which such person may be entitled apart from the provisions of this Bylaw. Such indemnification rights shall apply against liability incurred in a proceeding if the officer or Director: (a) conducted himself in good faith; (b) reasonably believed: (i) in the case of conduct in his official capacity with the Mission, that his conduct was in its best interest; and (c) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The Mission shall not

indemnify a Director or officer: (a) in connection with a proceeding by or in the right of the Mission in which the Director was adjudged liable to the Mission; or (b) in connection with any other proceeding charging improper personal benefit to the Director, whether or not involving action in his official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director. The Mission shall indemnify a Director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceedings to which the Director or officer was a party because he is or was a Director or officer of the Mission against reasonable expenses actually incurred by the Director or officer in connection with the proceeding.

The Mission also shall have the power, in its sole discretion, to indemnify any present or former Director, officer, employee or agent or any person (who has served or is serving (i) in such capacity at the request of the Mission in any other corporation, partnership, joint venture, company, trust or other enterprise or (ii) as a trustee or administrator under an employee benefit plan), with respect to any liability or litigation expenses, including reasonable attorneys' fees (incurred in such capacity by any such person) to the extent and upon the terms and conditions provided by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended.

Section 2. Advance Payment of Expenses. Expenses incurred by a Director, officer, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the Mission in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case or as authorized or required under any charter or Bylaw provision or by any applicable resolution or contract upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Mission against such expenses.

Notwithstanding the provisions of the preceding paragraph, the Mission shall, upon receipt of an undertaking by or on behalf of the Director or officer involved to repay the expenses described in the second paragraph of the preceding Section 1 of ARTICLE X unless it shall ultimately be determined that he is entitled to be indemnified by the Mission against such expenses, pay expenses incurred by such Director or officer in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding.

Section 3. Insurance. The Mission shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Mission, or is or was serving at the request of the Mission as Director, officer, employee, trustee or agent of another nonprofit corporation or trust against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Mission would have the power to indemnify him against such liability.