

Return of Organization Exempt From Income Tax

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

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning **JUL 1, 2005** and ending **JUN 30, 2006**

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization HOLY ANGELS, INC.		D Employer identification number 51-0230406
		Number and street (or P O box if mail is not delivered to street address) Room/suite P.O. BOX 710		E Telephone number (704) 825-4161
		City or town, state or country, and ZIP + 4 BELMONT, NC 28012		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)
		Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).		H and I are not applicable to section 527 organizations.

G Website: WWW.HOLYANGELSNC.ORG

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

K Check here if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return Some states require a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,109,636.**

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

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

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list)

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

I Group Exemption Number **N/A**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

SCANNED DEC 16 2006 Revenue

1 Contributions, gifts, grants, and similar amounts received a Direct public support b Indirect public support c Government contributions (grants) d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1a			1d 0.	
	1b				
	1c				
	2		1,109,636.		
	2 Program service revenue including government fees and contracts (from Part VII, line 93) 3 Membership dues and assessments 4 Interest on savings and temporary cash investments 5 Dividends and interest from securities	3			
		4			
		5			
	6 a Gross rents b Less rental expenses c Net rental income or (loss) (subtract line 6b from line 6a)	6a			6c
		6b			
		7			
	8 a Gross amount from sales of assets other than inventory b Less cost or other basis and sales expenses c Gain or (loss) (attach schedule) d Net gain or (loss) (combine line 8c, columns (A) and (B))	(A) Securities		(B) Other	8d
		8a			
8b					
8c					
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/> a Gross revenue (not including \$ _____ of contributions reported on line 1a) b Less direct expenses other than fundraising expenses c Net income or (loss) from special events (subtract line 9b from line 9a)	9a			9c	
	9b				
	10a				
10 a Gross sales of inventory, less returns and allowances b Less cost of goods sold c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10a			10c	
	10b				
11				11	
12	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,109,636.
13 Program services (from line 44, column (B)) 14 Management and general (from line 44, column (C)) 15 Fundraising (from line 44, column (D)) 16 Payments to affiliates (attach schedule) 17 Total expenses (add lines 16 and 44, column (A))	RECEIVED NOV 20 2006 OGDEN, UT IRS - OSC			13	
				14	1,109,636.
				15	
				16	
18 Excess or (deficit) for the year (subtract line 17 from line 12) 19 Net assets or fund balances at beginning of year (from line 73, column (A)) 20 Other changes in net assets or fund balances (attach explanation) 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				17	1,109,636.
				18	0.
				19	1,256,305.
				20	332,975.
			21	1,589,280.	

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc. **	371,451.	0.	371,451.	0.
26 Other salaries and wages	299,126.		299,126.	
27 Pension plan contributions	17,681.		17,681.	
28 Other employee benefits	83,355.		83,355.	
29 Payroll taxes	48,575.		48,575.	
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	24,575.		24,575.	
34 Telephone	5,876.		5,876.	
35 Postage and shipping	671.		671.	
36 Occupancy	2,746.		2,746.	
37 Equipment rental and maintenance	9,107.		9,107.	
38 Printing and publications				
39 Travel	4,812.		4,812.	
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	53,757.		53,757.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 2	187,904.		187,904.	
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,109,636.	0.	1,109,636.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A,
 (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 3

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

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

What is the organization's primary exempt purpose? ► SEE STATEMENT 4	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a HOLY ANGELS, INC. PERFORMS ADMINISTRATIVE SERVICES FOR HOLY ANGELS FOUNDATION AND HOLY ANGELS SERVICES, INC. ON A SEPARATE ENTITY BASIS, ALL EXPENSES INCURRED BY HOLY ANGELS, INC. ARE MANAGEMENT AND GENERAL (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	0.

Part IV Balance Sheets (See the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	1,143,810.	45	1,222,791.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a 119,040.		
	b Less: allowance for doubtful accounts	47b	47c	119,040.
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	75,864.	53	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment: basis	55a		
b Less: accumulated depreciation	55b	55c		
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a 1,081,389.			
b Less: accumulated depreciation STMT 5	57b 689,018.	57c	392,371.	
58 Other assets (describe ▶ OTHER ASSETS)		58	37,895.	
59 Total assets (must equal line 74). Add lines 45 through 58	1,432,213.	59	1,772,097.	
Liabilities	60 Accounts payable and accrued expenses	175,908.	60	182,817.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ▶)		65	
66 Total liabilities. Add lines 60 through 65)	175,908.	66	182,817.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,256,305.	67	1,589,280.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,256,305.	73	1,589,280.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,432,213.	74	1,772,097.	

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed NONE		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	12
91 a	The books are in care of REGINA MOODY Telephone no (704) 825-4161 Located at HOLY ANGELS, INC., P.O. BOX 710 BELMONT, NC ZIP + 4 28012		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country <u>N/A</u>	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year <u>0.</u>	92	N/A

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

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 98 Net rental income or (loss) from personal property, 99 Other investment income, 100 Gain or (loss) from sales of assets other than inventory, 101 Net income or (loss) from special events, 102 Gross profit or (loss) from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). Row 93A: THE ORGANIZATION PROVIDED ADMINISTRATIVE SUPPORT TO HOLY ANGELS SERVICES, INC. TO ASSIST THEM IN PROVIDING HOUSING AND CARE TO INDIVIDUALS (PRIMARYLY CHILDREN) WITH DEVELOPMENTAL DISABILITIES.

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

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets. Row 1: N/A.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? [] Yes [X] No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? [] Yes [X] No
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. Signature of officer: Reginald Moody, Date: 11/13/06, Type or print name and title: Reginald P. Moody, President/CEO

Paid Preparer's Use Only: Preparer's signature: [Signature], Date: 11/3/06, Check if self-employed: [], Preparer's SSN or PTIN: P00327894, Firm's name (or yours if self-employed), address, and ZIP + 4: CHERRY, BEKAERT & HOLLAND, L.L.P., 525 N. TRYON ST., SUITE 1800, CHARLOTTE, NC 28202, EIN: 56-0574444, Phone no: 704-377-1678

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2005

Name of the organization: **HOLY ANGELS, INC.**
Employer identification number: **51 0230406**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JOANNE SIGMON P.O. BOX 710 BELMONT, NC 28012	DIR-HEALTH 40.00	54,399.	5,445.	
ELIZABETH STRACK P.O. BOX 710 BELMONT, NC 28012	CONTROLLER 40.00	54,933.	2,883.	
SARAH LEE DAVIS P.O. BOX 710 BELMONT, NC 28012	DIR-COMM RELATIONS 40.00	54,467.	0.	
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

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

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

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

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT 10	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is (Please check only **ONE** applicable box)

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

Provide the following information about the supported organizations (See page 6 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above
SISTERS OF MERCY	5
HOLY ANGELS FOUNDATION, INC.	11A
HOLY ANGELS SERVICES, INC	12

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.** N/A
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.	26b	N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e).	26c	N/A
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____	26d	N/A
e Public support (line 26c minus line 26d total)	26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.	(2004)	(2003)	(2002)	(2001)
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2004)	(2003)	(2002)	(2001)
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	27c	N/A		
d Add Line 27a total _____ and line 27b total _____	27d	N/A		
e Public support (line 27c total minus line 27d total)	27e	N/A		
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).	27f	N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	N/A %		
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	N/A %		

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
		0.

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

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 1

DESCRIPTION	AMOUNT
EQUITY TRANSFER FROM HOLY ANGELS FOUNDATION, INC.	332,975.
TOTAL TO FORM 990, PART I, LINE 20	332,975.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACTUAL SERVICES	69,621.		69,621.	
INSURANCE	14,151.		14,151.	
ADVERTISING	29,984.		29,984.	
DUES & SUBSCRIPTIONS	4,406.		4,406.	
OTHER EXPENSES	31,131.		31,131.	
BANK CHARGES	1,727.		1,727.	
HARDWARE/SOFTWARE MAINT AGREEMENT	36,884.		36,884.	
TOTAL TO FM 990, LN 43	187,904.		187,904.	

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 3

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS OF A, B & C
REGINA MOODY	131,399.	8,555.		
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	131,399.	8,555.		139,954.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS OF A, B & C
MICHAEL C. GIANG	90,074.	5,431.		
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	90,074.	5,431.		95,505.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS OF A, B & C
LINDA BROWN	40,630.	5,506.		
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	40,630.	5,506.		46,136.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS OF A, B & C
DENNIS KUHN	82,313.	7,543.		
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	82,313.	7,543.		89,856.
C. FUNDRAISING				
TOTAL PROGRAM SERVICES				
TOTAL MANAGEMENT AND GENERAL				371,451.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON LINE 25				<u>371,451.</u>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4
PART III

EXPLANATION

HOLY ANGELS, INC. PROVIDES ADMINISTRATIVE SUPPORT TO ITS RELATED EXEMPT ORGANIZATIONS.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND IMPROVEMENTS	10,358.	7,251.	3,107.
BUILDING IMPROVEMENTS	160,304.	100,633.	59,671.
FURNITURE AND EQUIPMENT	910,727.	581,134.	329,593.
TOTAL TO FORM 990, PART IV, LN 57	<u>1,081,389.</u>	<u>689,018.</u>	<u>392,371.</u>

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	6
----------	------------------------------------	-----------	---

DESCRIPTION	AMOUNT
CORPORATE CHARGES CLASSIFIED AS A REDUCTION OF EXPENSES ON F/S	1,109,636.
TOTAL TO FORM 990, PART IV-A	1,109,636.

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT	7
----------	-------------------------------------	-----------	---

DESCRIPTION	AMOUNT
CORPORATE CHARGES CLASSIFIED AS A REDUCTION OF EXPENSES ON F/S	1,109,636.
TOTAL TO FORM 990, PART IV-B	1,109,636.

FORM 990	PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT	8
----------	---	-----------	---

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LYNN LEONARD P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
KEVIN LOFTIN P.O. BOX 710 BELMONT, NC 28012	CHAIR 0.00	0.	0.	0.
STANHOPE ANTHONY P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
MICHAEL DEELY P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
KATHLEEN HARWELL P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.

REV. ROBERT F. HINMAN P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
HANS L. LENGERS P.O. BOX 710 BELMONT, NC 28012	VICE-CHAIR 0.00	0.	0.	0.
SUSAN MCCRORY P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
JIM PARKS P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
PAUL POLKING P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
DR. MARY ANN RATHBUN-MACCAUGHELTY P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
SR. MARY ANGELA PEREZ P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
MICHAEL C. GIANG P.O. BOX 710 BELMONT, NC 28012	TREASURER/CFO 40.00	90,074.	5,431.	0.
LINDA BROWN P.O. BOX 710 BELMONT, NC 28012	SECRETARY 40.00	40,630.	5,506.	0.
BILL GARY P.O. BOX 710 BELMONT, NC 28012	MEMBER 0.00	0.	0.	0.
REGINA MOODY P.O. BOX 710 BELMONT, NC 28012	PRESIDENT/CEO 40.00	131,399.	8,555.	0.
DENNIS KUHN P.O. BOX 710 BELMONT, NC 28012	EXECUTIVE VP/COO 40.00	82,313.	7,543.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>344,416.</u>	<u>27,035.</u>	<u>0.</u>

FORM 990

IDENTIFICATION OF RELATED ORGANIZATIONS
PART VI, LINE 80B

STATEMENT 9

NAME OF ORGANIZATION

EXEMPT

NONEXEMPT

SISTERS OF MERCY OF AMERICAS

X

HOLY ANGELS FOUNDATION

X

HOLY ANGELS SERVICES

X

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2D

STATEMENT 10

SEE STATEMENT 8.