Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2005 2006

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 1/1/06 , 2005, and ending 9/30 , 20 06

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization
Rockford Rescue Mission Ministries, Inc.

Number and street (or P O box if mail is not delivered to street address) | Room/suite
P.O. Box 1958

City or town, state or country, and ZIP + 4
Rockford, IL 61110-0458

D Employer identification number
36 : 6132381

E Telephone number
(815) 965-5332

F Accounting method: ☐ Cash ☑ Accrual ☐ Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations

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

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

H(c) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

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

I Group Exemption Number ▶

G Website: ▶ rockfordrescuemission.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.**

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 2,012,784

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

SCANNED FEB 0 5 2007

Revenue

1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a	1.492.215		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	**Total** (add lines 1a through 1c) (cash $ 1,289,630 noncash $ 161,821)			1d	1,492,215
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	396,219
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	1,070
5	Dividends and interest from securities			5	
6a	Gross rents Statement 1	6a	2,296		
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	2,296
7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other
8a	Gross amount from sales of assets other than inventory		8a	600
b	Less: cost or other basis and sales expenses		8b	-5,900
c	Gain or (loss) (attach schedule)		8c	5,450

d	Net gain or (loss) (combine line 8c, columns (A) and (B)) Statement 2			8d	150
9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐				
a	Gross revenue (not including $ 41,266 of contributions reported on line 1a)	9a	41,266		
b	Less: direct expenses other than fundraising expenses	9b	61,648		
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	-20,382
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
11	Other revenue (from Part VII, line 103)			11	85,468
12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,957,036

Expenses

13	Program services (from line 44, column (B))	13	1,763,007
14	Management and general (from line 44, column (C))	14	149,863
15	Fundraising (from line 44, column (D))	15	259,402
16	Payments to affiliates (attach schedule)	16	
17	**Total expenses** (add lines 16 and 44, column (A))	17	2,172,272

Net Assets

18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-215,236
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	5,271,687
20	Other changes in net assets or fund balances (attach explanation)	20	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	5,056,451

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $ ______ noncash $ ______) If this amount includes foreign grants, check here ▶ ☐	22				
23 Specific assistance to individuals (attach schedule)	23	39,700	39,700	STATEMENT 3	
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	51,310	24,480	12,976	13,854
26 Other salaries and wages	26	881,533	736,562	75,423	69,548
27 Pension plan contributions	27	5,000		5,000	
28 Other employee benefits	28	128,116	105,664	13,239	9,213
29 Payroll taxes	29	62,561	49,671	6,963	5,927
30 Professional fundraising fees	30	55,539			55,539
31 Accounting fees	31	14,868	3,726	10,741	401
32 Legal fees	32				
33 Supplies	33	6,959	6,313	606	40
34 Telephone	34	9,096	7,021	1,156	919
35 Postage and shipping	35	52,638	182	694	51,762
36 Occupancy	36	68,249	64,304	2,430	1,515
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	10,290	9,055	823	412
42 Depreciation, depletion, etc (attach schedule)	42	130,908	120,429	5,931	4,548
43 Other expenses not covered above (itemize):					
a	43a				
b STATEMENT 4	43b	351,432	291,827	13,881	45,724
c	43c				
d STATEMENT 5	43d	304,073	304,073		
e	43e				
f	43f				
g	43g				
44 **Total functional expenses.** Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13–15)	44	2,172,272	1,763,007	149,863	259,402

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 $ 14,775, **(ii)** the amount allocated to Program services $ 13,297; **(iii)** the amount allocated to Management and general $ -0-; and **(iv)** the amount allocated to Fundraising $ 1,478

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? ▶ Homeless shelter 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)	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a Rescue Services STATEMENT 6 (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	1,458,934
b Mission Mart Thrift Store (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	304,073
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	1,763,007

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			418,976	45	312,075
46 Savings and temporary cash investments			34,097	46	41,976
47a Accounts receivable	47a	118,607			
b Less: allowance for doubtful accounts	47b		76,396	47c	118,607
48a Pledges receivable	48a				
b Less: allowance for doubtful accounts	48b			48c	
49 Grants receivable				49	
50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
51a Other notes and loans receivable (attach schedule)	51a				
b Less: allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use			261,066	52	251,960
53 Prepaid expenses and deferred charges			83,739	53	45,481
54 Investments—securities (attach schedule) ▶ ☐ Cost ☐ FMV				54	
55a Investments—land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b			55c	
56 Investments—other (attach schedule)				56	
57a Land, buildings, and equipment: basis	57a				
b Less: accumulated depreciation (attach schedule)	57b		4,745,190	57c	4,624,441
58 Other assets (describe ▶ Gift cards, deposits)			15,189	58	9,540
59 **Total assets** (must equal line 74) Add lines 45 through 58.			5,634,653	59	5,404,080
Liabilities					
60 Accounts payable and accrued expenses			169,390	60	175,486
61 Grants payable				61	
62 Deferred revenue			10,000	62	-0-
63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
64a Tax-exempt bond liabilities (attach schedule)				64a	
b Mortgages and other notes payable (attach schedule)				64b	
65 Other liabilities (describe ▶ STATEMENT 7)			183,576	65	172,143
66 **Total liabilities.** Add lines 60 through 65			362,966	66	347,629
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 67 through 69 and lines 73 and 74.					
67 Unrestricted			5,262,856	67	5,033,403
68 Temporarily restricted			8,831	68	23,048
69 Permanently restricted				69	
Organizations that do not follow SFAS 117, check here ▶ ☐ 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)			5,271,687	73	5,056,451
74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73.			5,634,653	74	5,404,080

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

a	Total revenue, gains, and other support per audited financial statements			a	2,039,030
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1			
2	Donated services and use of facilities	b2	20,346		
3	Recoveries of prior year grants	b3			
4	Other (specify): Cost of fund raising special events	b4	61,648		
	Add lines **b1** through **b4**			b	81,994
c	Subtract line **b** from line **a**			c	1,957,036
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	1,957,036

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

a	Total expenses and losses per audited financial statements			a	2,254,266
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1	20,346		
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify)	b4	61,648		
	Add lines **b1** through **b4**			b	81,994
c	Subtract line **b** from line **a**			c	2,172,272
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	
e	**Total expenses** (Part I, line 17) Add lines **c** and **d** ▶			e	2,172,272

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
see attached list				

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

		Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 11			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		✓
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?	75c		✓
Note. Related organizations include section 509(a)(3) supporting organizations. If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.			
d Does the organization have a written conflict of interest policy?	75d	✓	

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

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
see attached list				

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		✓
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	80a		✓
b	If "Yes," enter the name of the organization ▶ .... and check whether it is ☐ exempt **or** ☐ nonexempt			
81a	Enter direct and indirect political expenditures (See line 81 instructions.) 81a			
b	Did the organization file **Form 1120-POL** for this year?	81b		✓

Part VI Other Information *(continued)*

				Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82a	✓	
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) STATEMENT 8	82b 20,346			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?		83a	✓	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83b	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		84a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?		85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?		85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year				
c	Dues, assessments, and similar amounts from members	85c			
d	Section 162(e) lobbying and political expenditures	85d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		85h		
86	*501(c)(7) orgs.* Enter: **a** Initiation fees and capital contributions included on line 12	86a			
b	Gross receipts, included on line 12, for public use of club facilities	86b			
87	*501(c)(12) orgs.* Enter **a** Gross income from members or shareholders	87a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b			
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		
89a	*501(c)(3) organizations* Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ -0- ; section 4912 ▶ -0- ; section 4955 ▶ -0-				
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b		✓

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-

90a List the states with which a copy of this return is filed ▶ Illinois

b Number of employees employed in the pay period that includes March 12, 2005 (See instructions) 90b

91a The books are in care of ▶ Beverly Giloy Telephone no. ▶ (815)965-5332

Located at ▶ 715 W. State St., Rockford, IL ZIP + 4 ▶ 61102

			Yes	No
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)?	91b		✓
	If "Yes," enter the name of the foreign country ▶			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts.			
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 ▶	91c		✓

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

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

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue.					
a Resale shops					366,123
b Recycle bulk clothing					30,096
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					1,070
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	-0-	2,296
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					150
101 Net income or (loss) from special events					-20,382
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a soft drink sales					4,762
b Winnebago county commitment					75,000
c Misc receipts					5,706
d					
e					
104 Subtotal (add columns (B), (D), and (E))					484,821
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					484,821

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.)*

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)
	STATEMENT 9

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☐ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☐ No

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

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] 1/15/07

Signature of officer Date

▶ David M Koch Treasurer

Type or print name and title

Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶		EIN ▶	
			Phone no ▶ ( )	

Jan 1 - Sept 30

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~~ 2006

Name of the organization: Rockford Rescue MIssion Ministries

Employer identification number: 36 : 6132381

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
None				
Total number of other employees paid over $50,000 ▶				

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 ▶		

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 ▶		

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)	1		✓
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		✓
b	Lending of money or other extension of credit?	2b		✓
c	Furnishing of goods, services, or facilities?	2c		✓
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d		✓
e	Transfer of any part of its income or assets?	2e		✓
3a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a		✓
b	Do you have a section 403(b) annuity plan for your employees?	3b		✓
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c		✓
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		✓
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		✓

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 33⅓%** 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 33⅓%** 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

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.***

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.)	2,450,624	2,673,101	2,627,427	2,576,216	10,327,368
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	550,902	664,158	823,531	794,855	2,833,466
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	4,404	5,958	182	1,808	12,352
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 STATEMENT 10	19,019	65,139	15,978	19,697	119,833
23	Total of lines 15 through 22	3,024,949	3,408,356	3,467,118	3,392,576	13,292,999
24	Line 23 minus line 17	2,474,047	2,744,198	2,643,587	2,597,721	10,459,553
25	Enter 1% of line 23	30,249	34,084	34,671	33,926	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ 26a 209,191

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 2005 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 153,270

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 10,459,553

d Add Amounts from column (e) for lines: 18 12,352 19 -0- 22 119,833 26b 153,270 ▶ 26d 285,455

e Public support (line 26c minus line 26d total) ▶ 26e 10,174,098

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f 97.271 %

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

d Add: Line 27a total. ____ and line 27b total ____ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 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.) (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Line	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?	29		
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?	30		
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)	31		
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
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.)	32d		
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement)	33h		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
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.	34b		
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	35		

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)

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
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—	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		

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

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.)

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

Part VI-B **Lobbying Activity by Nonelecting Public Charities** (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h.**)			

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		
(ii) Other assets	a(ii)		
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		
(iii) Rental of facilities, equipment, or other assets	b(iii)		
(iv) Reimbursement arrangements	b(iv)		
(v) Loans or loan guarantees	b(v)		
(vi) Performance of services or membership or fundraising solicitations	b(vi)		
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☐ No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship

ROCKFORD RESCUE MISSION MINISTRIES 36-6132381

DO NOT FILE WITH RETURN

SCHEDULE A IDENTIFICATION OF EXCESS CONTRIBUTIONS INCLUDED ON PART IV, LINE 26B STATEMENT 10

*** NOT OPEN TO PUBLIC INSPECTION ***

CONTRIBUTOR'S NAME	TOTAL CONTRIBUTION	EXCESS CONTRIBUTION
I	362,461	153,270
TOTAL TO SCHEDULE A, LINE 26B	362,461	153,270

FORM 990 - 2006 OTHER INCOME STATEMENT 10

DESCRIPTION	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT
RENT	7,466	10,125	6,713	12,214
SOFT DRINKS	6,568	7,204	7,102	6,372
DONATED VEHICLE SALES	1,600	2,230		
PRODUCT SALES	1,503	4,322		
RELOCATION COST REIMBURSEMENT		40,000		
MISC SCRAP MAT	1,420	416	675	500
MISC REC & REFUNDS	462	842	1,488	611
TOTAL TO SCHEDULE A, LINE 22	19,019	65,139	15,978	19,697

Rockford Rescue Mission Ministries

Audited Financial Statements

For the nine months ended September 30, 2006 and
the year ended December 31, 2005

FARRELL
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Rockford Rescue Mission Ministries

Table of Contents

Farrell & Associates CPAs, LLC
Edgebrook Center 1639 North Alpine Road Rockford, IL 61107 Phone 815.229.1900 Fax 815.229.1901 www.farrellcpas.com

Independent Auditors' Report

To the Board of Directors of
Rockford Rescue Mission Ministries
Rockford, Illinois

We have audited the accompanying statements of financial position of Rockford Rescue Mission Ministries as of September 30, 2006, and the related statements of activities, cash flows, and functional expenses for the period then ended. These financial statements are the responsibility of Rockford Rescue Mission Ministries' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rockford Rescue Mission Ministries at September 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended December 31, 2005, were audited by other accountants whose report dated February 17, 2006, stated that the financial statements were presented fairly in all material respects, and were in conformity with accounting principles generally accepted in the United States of America.

Farrell & Associates CPAs, LLC

Certified Public Accountants

Rockford, Illinois
November 14, 2006

Rockford Rescue Mission Ministries

Statements of Financial Position

	September 30, 2006	December 31, 2005
Assets		
Current assets		
Cash and cash equivalents (Note 1)	$ 310,976	$ 417,304
Board designated certificate of deposit	41,976	34,097
Residents' funds held in trust	1,099	1,672
Accounts receivable	83,607	3,805
Bequest receivable	35,000	72,591
Inventories (Notes 1 and 3)	251,960	261,066
Prepaid expenses	45,481	83,739
Total current assets	770,099	874,274
Property and equipment, less accumulated depreciation (Notes 1 and 4)	4,624,441	4,745,190
Other assets		
Gift cards	7,940	15,189
Deposits	1,600	-
Total other assets	9,540	15,189
Total assets	$ 5,404,080	$ 5,634,653

	September 30, 2006	December 31, 2005
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 72,772	$ 102,375
Accrued payroll	95,006	62,725
Residents' funds held in trust	1,099	1,672
Current portion of deferred compensation (Note 8)	15,474	14,623
Other accrued expenses	7,708	14,290
Total current liabilities	192,059	195,685
Deferred compensation, less current portion (Note 8)	155,570	167,281
Total liabilities	347,629	362,966
Net assets		
Unrestricted		
Board designated	41,976	34,097
Undesignated	4,991,427	5,228,759
Temporarily restricted (Note 10)	23,048	8,831
Total net assets	5,056,451	5,271,687
Total liabilities and net assets	$ 5,404,080	$ 5,634,653

See accompanying independent auditors' report and notes to financial statements.

Rockford Rescue Mission Ministries

Statements of Activities

	Nine months ended September 30, 2006			Year ended December 31, 2005		
	Unrestricted	*Temporarily Restricted*	*Total*	*Unrestricted*	*Temporarily Restricted*	*Total*
Support and revenue:						
Public support	$ 1,315,140	$ 40,610	$ 1,355,750	$ 2,130,786	$ 3,504	$ 2,134,290
In-kind contributions	198,077	-	198,077	316,334	-	316,334
Sales from resale shops	366,123	-	366,123	505,141	-	505,141
Sales of bulk clothing and recycled materials	30,096	-	30,096	45,761	-	45,761
Interest income	1,070	-	1,070	4,404	-	4,404
Vending	4,762	-	4,762	6,568	-	6,568
Other revenue	83,002	-	83,002	12,451	-	12,451
Gain (loss) on sale of property and equipment	150	-	150	(13,602)	-	(13,602)
Net assets released from restrictions	26,393	(26,393)	-	16,637	(16,637)	-
Total support and revenue	2,024,813	14,217	2,039,030	3,024,480	(13,133)	3,011,347
Expenses						
Program services	1,781,033	-	1,781,033	2,581,545	-	2,581,545
Supporting services						
Management and general	150,863	-	150,863	199,701	-	199,701
Fundraising	322,370	-	322,370	532,136	-	532,136
Total supporting services	473,233	-	473,233	731,837	-	731,837
Total expenses	2,254,266	-	2,254,266	3,313,382	-	3,313,382
(Decrease) increase in net assets	(229,453)	14,217	(215,236)	(288,902)	(13,133)	(302,035)
Net assets, beginning of period	5,262,856	8,831	5,271,687	5,551,758	21,964	5,573,722
Net assets, end of period	$ 5,033,403	$ 23,048	$ 5,056,451	$ 5,262,856	$ 8,831	$ 5,271,687

See accompanying independent auditors' report and notes to financial statements

Rockford Rescue Mission Ministries

Statements of Cash Flows

	Nine months ended September 30, 2006	Year ended December 31, 2005
Cash flows from operating activities		
Change in net assets	$ (215,236)	$ (302,035)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Gain) loss on disposal of property and equipment	(150)	13,602
Depreciation including resale shops' depreciation of $5,717 and $10,328, respectively	136,625	204,146
(Increase) decrease in assets:		
Accounts and bequest receivable	(42,211)	(72,087)
Inventories	9,106	17,586
Prepaid expenses	38,258	(2,598)
Other assets	5,649	14,455
Increase (decrease) in liabilities:		
Accounts payable	(29,603)	46,078
Accrued expenses and other liabilities	14,839	3,979
Net cash used by operating activities	(82,723)	(76,874)
Cash flows from investing activities		
Purchases of property and equipment, net	(14,001)	(31,395)
Purchase of land and plans for parking lot	(2,325)	(179,587)
Net proceeds from disposal of property and equipment	600	3,000
Net cash used in investing activities	(15,726)	(207,982)
Cash flows from financing activities		
Funds transferred to Board designated certificate of deposit	(7,879)	(34,097)
Net cash used in financing activities	(7,879)	(34,097)
Net decrease in cash and cash equivalents	(106,328)	(318,953)
Cash and cash equivalents, beginning of period	417,304	736,257
Cash and cash equivalents, end of period	$ 310,976	$ 417,304

See accompanying independent auditors' report and notes to financial statements.

Rockford Rescue Mission Ministries

Statements of Functional Expenses

Nine months ended September 30, 2006

	Program Services	Management and General	Fund-raising	Total
Accounting, auditing, and legal	$ 3,726	$ 10,741	$ 401	$ 14,868
Building maintenance and supplies	28,468	1,511	1,413	31,392
Building insurance	11,730	359	165	12,254
Client assistance, including supplies	39,700	-	-	39,700
Depreciation	120,429	5,931	4,548	130,908
Direct mail	-	-	55,539	55,539
Donated food	184,313	-	-	184,313
Donated professional services	18,026	1,000	1,320	20,346
Education	4,332	4,893	5,289	14,514
Employee and board activities	-	1,594	-	1,594
Equipment repairs	3,255	31	31	3,317
Health and disability insurance	105,664	13,239	9,213	128,116
Interest	9,055	823	412	10,290
Liability insurance	8,527	2,177	725	11,429
Miscellaneous	65	-	-	65
Office supplies and services	5,380	2,054	1,726	9,160
Other promotional activities	18,614	-	34,506	53,120
Payroll taxes	49,671	6,963	5,927	62,561
Postage	182	694	51,762	52,638
Real estate taxes	2,073	-	-	2,073
Resale store expenses	304,073	-	-	304,073
Salaries and wages	761,042	93,399	83,402	937,843
Small equipment purchases	6,313	606	40	6,959
Special events	-	-	61,648	61,648
Telephone	7,021	1,156	919	9,096
Utilities	64,304	2,430	1,515	68,249
Vehicle insurance	7,577	210	297	8,084
Vehicle operation	4,338	220	867	5,425
Volunteer operations	2,335	-	-	2,335
Workers' compensation insurance	10,820	832	705	12,357
Total program services expenses	$ 1,781,033	$ 150,863	$ 322,370	$ 2,254,266

Year ended December 31, 2005

	Program Services	*Management and General*	*Fund-raising*	*Total*
Accounting, auditing, and legal	$ 11,514	$ 17,576	$ 1,036	$ 30,126
Building maintenance and supplies	47,759	2,637	2,285	52,681
Building insurance	13,906	417	183	14,506
Client assistance, including supplies	54,683	-	-	54,683
Depreciation	178,225	8,826	6,767	193,818
Direct mail	-	-	121,486	121,486
Donated clothing and household items	25,345	-	-	25,345
Donated food	187,763	-	-	187,763
Donated professional services	26,859	1,031	72,190	100,080
Education	6,626	1,876	2,511	11,013
Employee and board activities	-	3,960	-	3,960
Equipment repairs	3,773	53	53	3,879
Health and disability insurance	136,505	8,496	23,140	168,141
Interest	12,906	1,173	587	14,666
Liability insurance	12,052	3,199	1,271	16,522
Miscellaneous	4,564	2,501	39	7,104
Office supplies and services	6,845	4,671	2,515	14,031
Other promotional activities	21,690	-	30,908	52,598
Payroll taxes	68,334	11,565	8,191	88,090
Postage	284	946	70,928	72,158
Real estate taxes	3,111	-	-	3,111
Resale store expenses	616,152	-	-	616,152
Salaries and wages	1,006,956	118,001	117,090	1,242,047
Small equipment purchases	9,430	5,291	867	15,588
Special events	-	-	61,456	61,456
Telephone	13,247	2,333	2,246	17,826
Utilities	82,887	3,695	3,285	89,867
Vehicle insurance	9,302	360	544	10,206
Vehicle operation	6,530	158	1,553	8,241
Volunteer operations	1,914	-	-	1,914
Workers' compensation insurance	12,383	936	1,005	14,324
Total program services expenses	$ 2,581,545	$ 199,701	$ 532,136	$ 3,313,382

See accompanying independent auditors' report and notes to financial statements

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Rockford Rescue Mission Ministries (Mission) was organized as a not-for-profit corporation in 1964 under the laws of the State of Illinois. The Mission's purpose is to conduct an interdenominational mission to aid, assist, and care for men, women, and children by furnishing a temporary home and job placement and contributions to the uplift of such persons by providing to anyone in need with meals, lodging, clothing, home furnishings, individual and family counseling, education, and advocacy.

The Mission operates two resale shops in Rockford doing business as "Mission Mart".

Change in Fiscal Year End

The Mission changed its fiscal year end from December 31 to September 30 during the current fiscal year. The current fiscal year contained only nine months due to this change.

Promises to Give

Unconditional contributions are recognized when received, except in the case of a bequest, when the contribution is recognized at the time of legal notification. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

The Mission considers depository accounts with an original maturity of three months or less to be cash and cash equivalents. The Mission has funds on deposit with a bank that exceeds the federal depository insurance limit in total by approximately $193,000 as of September 30, 2006.

Donated Inventory and Other Assets

Donated inventory of food, property and equipment, and other assets are recognized as support at their estimated fair market values at the date they are received. Donated clothing and housewares sold through the Mission's Mart resale shops are recognized as sales, and are not recorded in inventory, except as an adjustment at year end. Net increases in donated clothing and housewares at the retail stores are recognized as unrestricted support at year end. Net decreases are recognized as adjustments to decrease sales from Mission Mart's resale store. Donated clothing and housewares given to clients are recognized at estimated market value at time of transfer.

Donated Services

The Mission uses the services of a number of volunteers to assist its staff. No amounts have been reflected in the financial statements for these donated services, as no objective basis is available to measure the value of such services. Such amounts would have no net effect on the statements of activities.

Donated professional service fees are recorded as unrestricted support at the time the services are rendered.

Property and Equipment

Expenditures for acquisition of property and equipment in excess of $5,000 and $2,000, respectively, are capitalized at cost or estimated value at time of donation. Depreciation is determined by the straight-line method, over the following estimated lives:

	Years
Buildings and improvements	5 – 40
Parking lots	15
Kitchen equipment	7 – 20
Program furnishings and equipment	5 – 10
Vehicles	3 – 5
Musical instruments and sound equipment	5 – 10
Office equipment	5 – 10
Tools and equipment	5 – 10
Computer equipment	3 – 5
Store fixtures and equipment	5 – 10

Income Taxes

The Internal Revenue Service has determined that the Mission qualifies for exemption from federal income tax under Internal Revenue Code Section 501(c)(3) as other than a private foundation.

Estimates

The accompanying financial statements include estimated amounts and disclosures based on management assumptions about future events. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to the year ended December 31, 2005 balances to be consistent with the nine months ended September 30, 2006 presentation.

Note 2. Related Party Transactions

One relative of the executive director provided employment services to the Mission during the nine months ended September 30, 2006, and two relatives provided similar services during the year ended December 31, 2005, in the amounts of approximately $14,800 and $18,300, respectively.

The Mission leases space for the Healing Place program from relatives of the executive director. The lease began January 1, 2006, and expires December 31, 2006. Rental fees of $15,010 were paid for the nine months ended September 30, 2006. Minimum rental commitments for the fiscal year ended September 30, 2007, are $4,800.

Note 3. Inventories

Inventories at September 30, 2006 and December 31, 2005 consist of the following:

	September 30, 2006	*December 31, 2005*
Donated food and supplies	$ **55,586**	$ 86,375
Donated clothing and housewares, intended for resale	**192,277**	170,055
Musical recordings	**4,097**	4,636
Total inventories	$ **251,960**	$ 261,066

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 4. Property and Equipment

Property and equipment consist of the following:

		September 30, 2006		*December 31, 2005*
Land	$	**461,428**	$	459,103
Building amd improvements		**5,080,635**		5,080,635
Parking lots		**16,049**		16,049
Kitchen equipment		**105,186**		101,060
Program furnishings and equipment		**255,085**		255,085
Vehicles		**75,668**		80,383
Musical instrument and sound equipment		**13,675**		13,675
Office equipment		**91,487**		91,487
Tools and equipment		**31,845**		31,845
Computer equipment		**68,491**		59,800
Store fixtures and equipment		**34,220**		34,220
Total property and equipment		**6,233,769**		6,223,342
Accumulated depreciation		**(1,609,328)**		(1,478,152)
Net property and equipment	$	**4,624,441**	$	4,745,190

Note 5. Line of Credit

At September 30, 2006, the Mission had an unused line of credit for $1,000,000 with a bank. The interest rate is 7.5 percent. The agreement expires February 8, 2007. The line is secured by promises to give, property and equipment.

Note 6. Commitments

The Mission leases rental space for its Rockford Southgate store. The lease was renewed in September 2006 and expires in August 2007. Minimum rental commitments are $55,000 for the fiscal year ended 2007. Rent expense for the nine months ended September 30, 2006 and year ended December 31, 2005, was $45,000 and $114,000, respectively.

Note 7. Retirement Plan

The Mission has a qualified retirement plan under section 403(b) of the Internal Revenue Code, whereby employees may make voluntary contributions. The plan allows the Mission to make discretionary contributions. The Mission made no discretionary contributions during the nine months ended September 30, 2006 and the year ended December 31, 2005.

Note 8. Deferred Compensation

Deferred compensation represents the present value of compensation granted to an employee in 1998 for prior service. Such compensation represents payments of $28,200 annually for the life of the employee. The present value is determined at an annual rate of 7.75 percent using published life expectancy tables.

Future principal payments required on the deferred compensation are as follows:

Years ending September 30,	
2007	$ 15,474
2008	16,719
2009	18,064
2010	19,518
2011	21,088
Thereafter	80,181
	$ 171,044

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 9. Supplemental Cash Flow Information

Cash paid for interest expense was $10,290 and $14,666 for the nine months ended September 30, 2006 and the year ended December 31, 2005, respectively.

Note 10. Restricted Net Assets

Temporarily restricted net assets consists of the following at September 30, 2006 and December 31, 2005:

		September 30, 2006		*December 31, 2005*
Art for residents	$	89	$	89
Program		5,800		8,742
State of Illinois grant for computer equipment		4,986		-
County of Winnebago grant for case worker		12,173		-
Total temporarily restricted net assets	$	23,048	$	8,831

Note 11. Major Event

During the year ended December 31, 2005, the Mission purchased adjacent property in the amount of $179,587 to be used for a parking lot.

Note 12. Subsequent Event

In November 2006, the Mission made an offer of approximately $72,000 to purchase property adjacent to its State Street facility to be used as a parking lot. The offer is pending the results of an environmental study of the property.

Independent Auditors' Report on Supplemental Material

Our audit of the financial statements, included in the preceding section of this report for the nine months ended September 30, 2006, was performed for the purpose of forming an opinion on those statements taken as a whole. The supplemental material presented in the following section of this report is presented for purposes of additional analysis; it is not a required part of those financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The supplemental material for the years ended December 31, 2005, presented in the following section of this report is presented only for purposes of additional analysis and is not a required part of the financial statements. This information was audited by other accountants, whose report dated February 17, 2006, stated that they were not aware of any material modifications that should be made to the supplemental material in order for such information to be in conformity with accounting principles generally accepted in the United States of America when considered in relation to the financial statements taken as a whole.

Farrell & Associates CPAs, LLC

Certified Public Accountants

Rockford, Illinois
November 14, 2006

Rockford Rescue Mission Ministries

Supplemental Schedules of Resale Store Expenses

	Nine months ended September 30, 2006	*Year ended December 31, 2005*
Accounting, auditing, and legal	$ **476**	$ 1,063
Advertising	**450**	1,609
Building maintenance and supplies	**4,343**	9,967
Building insurance	**1,138**	1,379
Building rental	**45,000**	114,000
Depreciation	**5,717**	10,328
Donated professional services	**-**	1,390
Education	**387**	875
Equipment repairs	**806**	2,751
Health and disability insurance	**22,174**	40,288
Liability insurance	**1,707**	2,566
Miscellaneous	**-**	37
Office supplies and services	**487**	1,234
Payroll taxes	**11,107**	21,489
Postage	**26**	230
Purchased items for resale	**-**	20,738
Salaries and wages	**152,662**	302,754
Small equipment purchases	**358**	1,931
Retail supplies	**2,020**	2,306
Other supplies	**11,932**	6,421
Telephone	**831**	2,936
Utilities	**33,658**	52,551
Vehicle insurance	**2,761**	4,967
Vehicle operation	**2,567**	4,890
Workers' compensation insurance	**3,466**	7,452
Total resale store expenses	$ **304,073**	$ 616,152

See accompanying independent auditors' report on supplemental material.

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 1, Part I Revenue, Expenses & Changes in Net Assets or Fund Balances, Line 9 Special Events

Event	Receipts	Contributions	Revenue	Expenses	Net Income
Telethon	85,733	83,408	2,325	27,772	(25,447)
Walkathon	10,260	0	10,260	1,462	8,798
Michael Reagan	26,268	4,673	21,595	23,717	(2,122)
Women's Gathering	9,743	2,657	7,086	8,697	(1,611)
	132,004	90,738	41,266	61,648	(20,382)
Included in line 1a		90,738			
Total for line 9a			41,266		
Total for line 9b				61,648	
Net Income for line 9c					(20,382)

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 2, Part II, Statement of Functional Expenses Line 42, Depreciation

	Total	Program	General	Fund Raising
Building & property improvements	94,961	88,068	3,897	2,996
Vehicles	6,560	6,560		
Tools and equipment	640	640		
Office & kitchen equipment	28,747	25,161	2,034	1,552
	130,908	120,429	5,931	4,548

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 4, Part IV, Balance Sheets, Line 57, Land, Buildings and Equipment.

	January - September 2006			
	Basis	Accumulated Depreciation	Net Book Value	Depreciation Expense
Land	461,428		461,428	
Buildings & improvements	5,080,635	1,087,057	3,993,578	99,460
Land Improvement	16,049	6,832	9,217	1,207
Vehicles	75,668	50,340	25,328	6,560
Musical Instruments & sound equipment	13,675	12,742	934	
Furnishing, Program	255,085	208,033	47,052	13,252
Office Equipment	159,978	129,973	30,005	10,349
Kitchen Equipment	105,186	51,678	53,508	5,146
Tools & equipment	31,845	31,381	464	640
Fixtures & equipment in resale store	34,220	31,292	2,928	11
	6,233,769	1,609,327	4,624,442	136,625

	2005			
	Basis	Accumulated Depreciation	Net Book Value	Depreciation Expense
Land	459,103		459,103	
Buildings & improvements	5,080,635	987,597	4,093,038	140,421
Land Improvement	16,049	5,625	10,423	1,610
Vehicles	80,383	49,230	31,153	10,908
Musical Instruments & sound equipment	13,675	12,742	934	
Furnishing, Program	255,086	194,781	60,305	21,379
Office Equipment	151,287	119,655	31,632	17,821
Kitchen Equipment	101,060	46,532	54,528	6,821
Tools & equipment	31,845	30,711	1,134	2,189
Fixtures & equipment in resale store	34,220	31,281	2,939	2,996
	6,223,342	1,478,153	4,745,190	204,146

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 5, Part V, List of Officers, Directors and Trustees

(A) Name & Address	(B) Title and Avg Hrs per Wk	(C) Compensation	(D) Contributions to Employee Benefit Plans	(E) Expense Act. and Other Allowance
Richard Farb 1788 Sweetbriar Lane Rockford, IL 61107	Board Director, President	-0-	-0-	-0-
Debbie Holcomb 4312 Eaton Drive Rockford, IL 61114	Board Director	-0-	-0-	-0-
James Kitzmiller 6332 Simpson Rd Rockford, IL 61102	Board Director	-0-	-0-	-0-
David Koch 3415 Landstrom Rd Rockford, IL 61107	Board Director, Treasurer	-0-	-0-	-0-
Glenn Miller 7120 Windsor Lake Parkway Loves Park, IL 61111	Board Director	-0-	-0-	-0-
Rev Kenneth R Board 6894 Thomas Parkway Rockford, IL 61114	Board Director	-0-	-0-	-0-
Michael Kalodimos 724 N Highland Rockford, IL 61107	Board Director, Vice Chariman	-0-	-0-	-0-
Bryan Selander P O. Box 1835 Rockford, IL 61110	Board Director	-0-	-0-	-0-
Carol Klint 422 Wood Rd Rockford, IL 61107	Board Director	-0-	-0-	-0-
Charles Inskeep, MD 16 Johns Woods Dr Rockford, IL 61103	Board Director	-0-	-0-	-0-

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 5, Part V, List of Officers, Directors and Trustees

(A) Name & Address	(B) Title and Avg Hrs per Wk	(C) Compensation	(D) Contributions to Employee Benefit Plans	(E) Expense Act and Other Allowance
Larry Johnson 3360 Twin Ridge Lane Rockford, IL 61109	Board Director	-0-	-0-	-0-
Cheryl Pitney 7020 Thomas Rockford, IL 61114	Executive Director	$51,310 *	-0-	-0-
		$51,310		

* Salary

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
JANUARY - SEPTEMBER 2006
36-6132381

Page 6, Part V, List of Former Officers, Directors and Trustees That Received Compensation

(A) Name & Address	(B) Title and Avg Hrs per Wk	(C) Compensation	(D) Contributions to Employee Benefit Plans	(E) Expense Act and Other Allowance
Gerald Pitney 2006 Fremont St Rockford, IL 61103	Director Emeritus	$4,750	-0-	-0-
		$4,750		

x Retirement

ROCKFORD RESCUE MISSION MINISTRIES 36-6132381

FORM 990 - 2006	RENTAL INCOME	STATEMENT 1

KIND AND LOCATION OF PROPERTY	GROSS RENTAL INCOME
FACILITIES	2,296
TOTAL TO FORM 990, PART I, LINE 6A	2,296

FORM 990 - 2006 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
1990 Plymouth Voyager	Sept 2000	Jan 2006	Donated
1985 Ford F350 Truck	May 2001	Jan 2006	Donated
1990 Astro Van	Sept 2001	Aug 2006	Donated
1991 Plymouth Voyager	July 2006	Aug 2006	Donated

ROCKFORD RESCUE MISSION MINISTRIES 36-6132381

FORM 990 - 2006 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 3

DESCRIPTION	AMOUNT
SUNDRY ASSISTANCE TO HOMELESS, INCLUDING MEDICAL CARE, EDUCATION, AND RECREATION	39,700
TOTAL TO FM 990, PART II, LINE 23	39,700

ROCKFORD RESCUE MISSION MINISTRIES

FORM 990 - 2006 OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C.) MANAGEMENT AND GENERAL	(D) FUNDRAISING
BUILDING MAINT	34,709	31,723	1,542	1,444
DONATED FOOD, CLOTHES HOUSEWARES	184,313	184,313		
EDUCATION/AWARENESS	14,514	4,332	4,893	5,289
INSURANCE	44,124	38,654	3,578	1,892
MISCELLANEOUS	65	65	0	0
OFFICE SUPPLIES & SERVICE	9,160	5,380	2,054	1,726
OTHER EMPLOYEE EXP	1,594		1,594	
PROMOTION, PUBLICATION!	53,120	18,614		34,506
R/E TAXES	2,073	2,073		
VEHICLE OPERATIONS	5,425	4,338	220	867
VOLUNTEER OPERATIONS	2,335	2,335		
TOTAL TO FM 990, LN 43	351,432	291,827	13,881	45,724

ROCKFORD RESCUE MISSION MINISTRIES

FORM 990 - 2006 MISSION MART THRIFT STORES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C0) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ACCOUNTING, AUDITING & LEGAL	476	476		
ADVERTISING	450	450		
BUILDING MAINTENANCE & SUPPLIES	4343	4,343		
BUILDING INSURANCE	1138	1,138		
BUILDING RENTAL	45000	45,000		
DEPRECIATION	5717	5,717		
EDUCATION	387	387		
EQUIPMENT REPAIRS	806	806		
HEALTH, DISABILITY, & FLEX INS.	22174	22,174		
LIABILITY & OTHER INSURANCE	1707	1,707		
OFFICE SUPPLIES & SERVICES	487	487		
PAYROLL TAXES	11107	11,107		
POSTAGE	26	26		
SALARIES & WAGES	152662	152,662		
SMALL EQUIPMENT PURCHASES	358	358		
RETAIL SUPPLIES	2020	2,020		
OTHER SUPPLIES	11932	11,932		
TELEPHONE	831	831		
UTILITIES	33658	33,658		
VEHICLE INSURANCE	2761	2,761		
VEHICLE OPERATION	2567	2,567		
WORKER'S COMPENSATION INS.	3466	3,466		
TOTAL TO FM 990, LN 43	304,073	304,073	0	0

STATEMENT 6

ROCKFORD RESCUE MISSION
STATEMENT OF MINISTRIES
JANUARY-SEPTEMBER 2006

This report is for 9 months: since new fiscal year is October 1, 2006-September 30, 2007.

The Mission's Primary Ministries: being the area's primary 24 hour emergency shelter, daily inviting the needy to three meals in our facility, operating immediate and long-term residential addiction life recovery programs for men and women, providing educational and job readiness training for our program residents, and without governmental restriction communicating the Gospel of Jesus Christ in everything we do. We highly regard other community resources for the homeless and desperate and so have our staff assist residents and guests in making these important connections. Our services are free.

Spiritual Transformation: breaking destructive lifestyles by **introducing people to Jesus Christ as Savior and Lord. 1,295 recorded spiritual responses. We held nightly required chapels (average attendance 70)** and our **staff conducted 2,350 counseling/case management sessions** in one-on-one efforts to assist people toward personal and spiritual wholeness.

Lodging: average 110 people/night (81 men, 19 women, 10 children); 30,126 total nights lodging given.

Meals Served: average **119 people three times/day**; with **97,262 total meals** served.

Crisis Services: Men's Crisis-1,004 different men served; **Women's Crisis-152** women and 62 children served. That's a **total of 1,218, plus the scores of others who only came to our meals! Our 9 month+ life recovery programs which begin in our crisis programs helped 171** of these men and women who were struggling with addictions and other life controlling issues. **Employment secured: women-2 full-time & 3 part-time; men-15 full-time and 46 part-time. Stable Housing secured: women-6 and men-59. Medical Clinic sessions-562.**

Life Recovery Services: 63 completed *Stage 1* (min. 45 days), 31 completed *Stage 2* (3 months), 14 completed *Stage 3* (5 months), 10 *graduated* (after an additional 6 months clean). Education: 4 received a high school diploma/GED, 3 enrolled in further education/job training. Employment secured: men-11. Stable Housing secured: men-6.

New Ministry: **The Healing Place**, our outreach to hurting church women for encouragement and referral through a telephone ministry and day retreat center. Months of work towards a Nov. 2006 start.

Volunteer Services: 13,637 recorded hours during 5,637 occasions by 3,143 individuals and 478 groups (monthly cumulative numbers), plus many additional unrecorded hours by individuals and groups.

Mission Mart, resale operation: **3,254 donations of clothing, household goods, etc.** to meet needs of our crisis guests and recovery residents, to be sold to raise operating funds, and to give job training and employment for recovery residents.

Funding: financial gifts, in-kind donations (clothing, food, professional services), and volunteer services from individuals, churches, organizations, businesses, and corporations. The only exceptions were **Winnebago County and Illinois State grants to fund a counselor and some education equipment.** In all our services we were free to share Christ with absolutely no restrictions. **Our nine month operating budget was $2.3 million.**

We know love by this, that Jesus Christ laid down His life for us; and we ought to lay down our lives for the brethren. But whoever has the world's goods, and beholds his brother in need and closes his heart against him, how does the love of God abide in him?

I John 3:16, 17

ROCKFORD RESCUE MISSION MINISTRIES

Form 990 - 2006	BALANCE SHEET OTHER LIABILITIES	STATEMENT 7

DESCRIPTION	BEGINNING OF YEAR	SEPT 30, 2006
FUNDS HELD FOR RESIDENTS	1,672	1,099
ACCRUED LONG-TERM COMPENSATION	181,904	171,044
TOTAL TO FORM 990, PART IV, LINE 65	183,576	172,143

FORM 990 - 2006 PART VI - OTHER INFORMATION STATEMENT 8
DONATED PROFESSIONAL SERVICES

LINE

82b. LINE 1 AND LINE 43 INCLUDE DONATED PROFESSIONAL SERVICES AS FOLLOWS:

UNRESTRICTED SUPPORT	
PROGRAM ACTIVITIES	18,026
ADMINISTRATIVE ACTIVITIES	1,000
FUNDRAISING ACTIVITIES	1,320
TOTAL	20,346

FORM 990-2006 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 9

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	SALE OF DONATED HOUSEHOLD ITEMS AT RESALE SHOP
93B	DONATED PERSONAL/HOUSEHOLD ITEMS SOLD AS RECYCLE OR BULK MATERIALS.
103A	REFRESHMENTS TO PROGRAM PARTICIPANTS, WORKERS AND STAFF
103B	WINNEBAGO COUNTY COMMITMENT DURING PURCHASE OF LAND FOR PUBLIC SAFETY BUILDING
103C	REVENUE FROM SALE OF SCRAP MATERIALS, GARNISHMENT FEES, PAY PHONE COMMISSION USED TO COVER GENERAL COSTS OF MINISTRY TO HOMELESS AND HURTING PEOPLE

Form **1128** (Rev January 2006) Department of the Treasury Internal Revenue Service

Application To Adopt, Change, or Retain a Tax Year

▶ See separate instructions.

OMB No 1545-0134

Attachment Sequence No **148**

Part I General Information

Important: All applicants must complete Part I and sign below See instructions

Type or Print

Name of applicant (if a joint return is filed, also enter spouse's name) **Rockford Rescue MIssion**	**Applicant's identifying no.** (see instructions) **36-6132381**
Number, street, and room or suite no (if a P O box, see instructions) **P.O. Box 1958**	Service Center where income tax return will be filed **Ogden, Utah**
City or town, state, and ZIP code **Rockford, IL 61110-0458**	Applicant's area code and telephone number/Fax number **(815) 965-5332 / (815) 965-0033**
Name of filer, if different than the applicant (see instructions)	Filer's identifying number
Name of person to contact (if not the applicant or filer, attach a power of attorney)	Contact person's area code and telephone number/Fax number ( ) / ( )

1 Check the appropriate box(es) to indicate the type of applicant (see instructions).

- ☐ Individual
- ☐ Partnership
- ☐ Estate
- ☐ Domestic corporation
- ☐ S corporation
- ☐ Personal service corporation (PSC)
- ☐ Cooperative (sec 1381(a))
- ☐ Possession corporation (secs. 936 and 30A)
- ☐ Controlled foreign corporation (CFC) (sec. 957)
- ☐ Foreign sales corporation (FSC) or Interest-charge domestic international sales corporation (IC-DISC)
- ☐ Specified foreign corporation (SFC) (sec 898)
- ☐ Passive foreign investment company (PFIC) (sec. 1297)
- ☐ Other foreign corporation
- ☑ Tax-exempt organization
- ☐ Homeowners Association (sec 528)
- ☐ Other .... (Specify entity and applicable Code section)

2a Approval is requested to (check one) (see instructions):

☐ Adopt a tax year ending ▶.......................... (Partnerships and PSCs: Go to Part III after completing Part I)

☑ Change to a tax year ending ▶ 9/30/06 ☐ Retain a tax year ending ▶ ....

b If changing a tax year, indicate the date the present tax year ends. ▶ 12/31/06

c If adopting or changing a tax year, the first return or short period return will be filed for the tax year beginning ▶ 1/1/06 , 20 , and ending ▶ 9/30/06 , 20

3 Is the applicant's present tax year, as stated on line 2b above, also its current financial reporting year? ▶ ☑ Yes ☐ No

If "No," attach an explanation.

4 Indicate the applicant's present overall method of accounting.

☐ Cash receipts and disbursements method ☑ Accrual method

☐ Other method (specify) ▶ ....

5 State the nature of the applicant's business or principal source of income

Homeless shelter - Donations

Signature—All Applicants (See Who Must Sign in the instructions.)

Under penalties of perjury, I declare that I have examined this application, 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 applicant) is based on all information of which preparer has any knowledge.

Applicant*

D. m K. C 1/15/07

Applicant or officer's signature and date

DAvid m Koch Treasurer

Name and title (print or type)

Preparer (other than applicant)

Beverly Giloy 1/15/07

Signature of individual preparing the application and date

Beverly Giloy, Director of Finance

Name of individual preparing the application

*If the application is filed by one or more U S shareholders of a controlled foreign corporation, the U.S shareholders must sign (see instructions)

Name of firm preparing the application

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No 21115C Form **1128** (Rev 1-2006)

Part II **Automatic Approval Request** (see instructions)

Section A—Corporations (Other Than S Corporations or Personal Service Corporations) (Rev. Proc. 2002-37, or its successor)

		Yes	No
1	Is the applicant a corporation (including a homeowners association (section 528)) that is requesting a change in tax year **and** is not precluded from using the automatic approval rules under section 4 of Rev. Proc 2002-37 (or its successor)? (see instructions) ▶		✓
2	Does the corporation intend to elect to be an S corporation for the tax year immediately following the short period? If "Yes" and the corporation is electing to change to a permitted tax year, file Form 1128 as an attachment to Form 2553		✓
3	Is the applicant a corporation requesting a concurrent change for a CFC, FSC or IC-DISC? (see instructions) ▶		✓
	Section B—Partnerships, S Corporations, and Personal Service Corporations (PSCs) (Rev. Proc. 2002-38, or its successor)		
4	Is the applicant a partnership, S corporation, or PSC that is requesting a tax year **and** is not precluded from using the automatic approval rules under section 4 of Rev. Proc. 2002-38 (or its successor)? (see instructions) ▶		✓
5	Is the partnership, S corporation, or PSC requesting to change to its required tax year or a 52-53 week tax year ending with reference to such tax year? ▶		✓
6	Is the partnership, S corporation, or PSC (other than a member of a tiered structure) requesting a tax year that coincides with its natural business year described in section 4.01(2) of Rev. Proc 2002-38 (or its successor)? (see instructions for information required to be submitted) ▶		✓
7	Is the S corporation requesting an ownership tax year? (see instructions) ▶		✓
8	Is the applicant a partnership requesting a concurrent change pursuant to section 6.10 of Rev. Proc. 2002-37 (or its successor) or section 5.04(8) of Rev. Proc. 2002-39 (or its successor)? (see instructions) ▶		✓
	Section C—Individuals (Rev. Proc. 2003-62, or its successor) (see instructions)		
9	Is the applicant an individual requesting a change from a fiscal year to a calendar year? ▶		✓
	Section D—Tax-Exempt Organizations (Rev. Proc. 76-10 or 85-58) (see instructions)		
10	Is the applicant a tax-exempt organization requesting a change? ▶	✓	

Part III **Ruling Request** (All applicants requesting a ruling must complete Section A and any other section that applies to the entity. See instructions.)

Section A—General Information		Yes	No
1	Is the applicant under examination by the IRS, before an appeals office, or a Federal court? ▶ If "Yes," see the instructions for information that must be included on an attached explanation.		✓
2	Has the applicant changed its annual accounting period at any time within the most recent 48-month period ending with the last month of the requested tax year? ▶ If "Yes" and a letter ruling was issued granting approval to make the change, attach a copy of the letter ruling, or if not available, an explanation including the date approval was granted. If a letter ruling was not issued, indicate when and explain how the change was implemented.		✓
3	Within the most recent 48-month period, has any accounting period application been withdrawn, not perfected, denied, or not implemented? ▶ If "Yes," attach an explanation.		✓
4a	Is the applicant requesting to establish a business purpose under section 5.02(1) of Rev. Proc. 2002-39 (or its successor)? ▶ If "Yes," attach an explanation of the legal basis supporting the requested tax year (see instructions).		✓
b	If your business purpose is based on one of the natural business year tests under section 5.03, check the applicable box. ☐ Annual business cycle test ☐ Seasonal business test ☐ 25-percent gross receipts test Attach a statement showing gross receipts from sales and services (and inventory cost if applicable) for the test period. (See instructions)		
5	Enter the taxable income or (loss) for the 3 tax years immediately preceding the year of change and for the short period. If necessary, estimate the amount for the short period. Short period $ -0- First preceding year $ -0- Second preceding year $ -0- Third preceding year $ -0- **Note:** *Individuals, enter adjusted gross income. Partnerships and S corporations, enter ordinary income Section 501(c) organizations, enter unrelated business taxable income. Estates, enter adjusted total income. All other applicants, enter taxable income before net operating loss deduction and special deductions.*		

		Yes	No
6	Corporations only, enter the losses or credits, if any, that were generated or that expired in the short period: Generated / Expiring Net operating loss $ ____ $ ____ Capital loss $ ____ $ ____ Unused credits $ ____ $ ____		
7	Enter the amount of deferral, if any, resulting from the change (see section 5.05(1), (2), (3) and 6.01(7) of Rev. Proc. 2002-39, or its successor) ▶ $ ____		
8a	Is the applicant a U.S. shareholder in a CFC? ▶		✓
	If "Yes," attach a statement for each CFC providing the name, address, identifying number, tax year, the percentage of total combined voting power of the applicant, and the amount of income included in the gross income of the applicant under section 951 for the 3 tax years immediately before the short period and for the short period.		
b	Will each CFC concurrently change its tax year? ▶		✓
	If "Yes" to line 8b, go to Part II, line 3. If "No," attach a statement explaining why the CFC will not be conforming to the tax year requested by the U.S. shareholder.		
9a	Is the applicant a U.S. shareholder in a PFIC as defined in section 1297? ▶		✓
	If "Yes," attach a statement providing the name, address, identifying number, and tax year of the PFIC, the percentage of interest owned by the applicant, and the amount of distributions or ordinary earnings and net capital gain from the PFIC included in the income of the applicant.		
b	Did the applicant elect under section 1295 to treat the PFIC as a qualified electing fund? ▶		
10a	Is the applicant a member of a partnership, a beneficiary of a trust or estate, a shareholder of an S corporation, a shareholder of an IC-DISC, or a shareholder of an FSC? ▶		✓
	If "Yes," attach a statement providing the name, address, identifying number, type of entity (partnership, trust, estate, S corporation, IC-DISC, or FSC), tax year, percentage of interest in capital and profits, or percentage of interest of each IC-DISC or FSC and the amount of income received from each entity for the first preceding year and for the short period. Indicate the percentage of gross income of the applicant represented by each amount.		
b	Will any partnership concurrently change its tax year to conform with the tax year requested? ▶		
c	If "Yes" to line 10b, has any Form 1128 been filed for such partnership? ▶		
11	Does the applicant or any related entity currently have any accounting method, tax year, ruling, or technical advice request pending with the IRS National Office? ▶		✓
	If "Yes," attach a statement explaining the type of request (method, tax year, etc.) and the specific issues involved in each request.		
12	Is **Form 2848**, Power of Attorney and Declaration of Representative, attached to this application? ▶		✓
13	Does the applicant request a conference of right (in person or by telephone) with the IRS National Office, if the IRS proposes to disapprove the application? ▶		✓
14	Enter amount of **user fee** attached to this application (see instructions) ▶ $		

Section B—Corporations (other than S corporations and controlled foreign corporations) (see instructions)

15 Enter the date of incorporation. ▶

		Yes	No
16a	Does the corporation intend to elect to be an S corporation for the tax year immediately following the short period? ▶		✓
b	If "Yes," will the corporation be going to a permitted S corporation tax year? ▶		
	If "No" to line 16b, attach an explanation.		
17	Is the corporation a member of an affiliated group filing a consolidated return? ▶		✓
	If "Yes," attach a statement providing **(a)** the name, address, identifiying number used on the consolidated return, tax year, and Service Center where the applicant files the return; **(b)** the name, address, and identifying number of each member of the affiliated group; **(c)** the taxable income (loss) of each member for the 3 years immediately before the short period and for the short period; and **(d)** the name of the parent corporation.		
18a	Personal service corporations (PSCs): Attach a statement providing each shareholder's name, type of entity (individual, partnership, corporation, etc.), address, identifying number, tax year, percentage of ownership, and amount of income received from the PSC for the first preceding year and the short period.		
b	If the PSC is using a tax year other than the required tax year, indicate how it obtained its tax year ☐ Grandfathered (attach copy of letter ruling) ☐ Section 444 election (date of election ____) ☐ Letter ruling (date of letter ruling ____ (attach copy))		

Section C—S Corporations (see instructions)

		Yes	No
19	Enter the date of the S corporation election. ▶		
20	Is any shareholder applying for a corresponding change in tax year? ▶ If "Yes," each shareholder requesting a corresponding change in tax year must file a separate Form 1128 to get advance approval to change its tax year.		
21	If the corporation is using a tax year other than the required tax year, indicate how it obtained its tax year. ☐ Grandfathered (attach copy of letter ruling) ☐ Section 444 election (date of election ______) ☐ Letter ruling (date of letter ruling ______ (attach copy))		
22	Attach a statement providing each shareholder's name, type of shareholder (individual, estate, qualified subchapter S Trust, electing small business trust, other trust, or exempt organization), address, identifying number, tax year, percentage of ownership, and the amount of income each shareholder received from the S corporation for the first preceding year and for the short period.		

Section D—Partnerships (see instructions)

		Yes	No
23	Enter the date the partnership's business began. ▶		
24	Is any partner applying for a corresponding change in tax year? ▶		
25	Attach a statement providing each partner's name, type of partner (individual, partnership, estate, trust, corporation, S corporation, IC-DISC, etc.), address, identifying number, tax year, and the percentage of interest in capital and profits.		
26	Is any partner a shareholder of a PSC as defined in Regulations section 1.441-3(c)? ▶ If "Yes," attach a statement providing the name, address, identifiying number, tax year, percentage of interest in capital and profits, and the amount of income received from each PSC for the first preceding year and for the short period.		
27	If the partnership is using a tax year other than the required tax year, indicate how it obtained its tax year. ☐ Grandfathered (attach copy of letter ruling) ☐ Section 444 election (date of election ______) ☐ Letter ruling (date of letter ruling ______ (attach copy))		

Section E—Controlled Foreign Corporations (CFC)

28	Attach a statement for each U.S. shareholder (as defined in section 951(b)) providing the name, address, identifying number, tax year, percentage of total value and percentage of total voting power, and the amount of income included in gross income under section 951 for the 3 tax years immediately before the short period and for the short period.		

Section F—Tax-Exempt Organizations

		Yes	No
29	Type of organization: ☑ Corporation ☐ Trust ☐ Other (specify) ▶		
30	Date of organization. ▶ 1964		
31	Code section under which the organization is exempt. ▶ 501c(3)		
32	Is the organization required to file an annual return on Form 990, 990-C, 990-PF, 990-T, 1120-H, or 1120-POL? ▶	✓	
33	Enter the date the tax exemption was granted. ▶ 1/1966 Attach a copy of the letter ruling granting exemption. If a copy of the letter ruling is not available, attach an explanation.		
34	If the organization is a private foundation, is the foundation terminating its status under section 507? ▶		

Section G—Estates

35 Enter the date the estate was created. ▶

36a Attach a statement providing the name, identifying number, address, and tax year of each beneficiary and each person who is an interested party of any portion of the estate.

b Based on the adjusted total income of the estate entered in Part III, Section A, line 5, attach a statement showing the distribution deduction and the taxable amounts distributed to each beneficiary for the 2 tax years immediately before the short period and for the short period.

Section H—Passive Foreign Investment Companies

37 If the applicant is a passive foreign investment company, attach a statement providing each U.S. shareholder's name, address, identifying number, and percentage of interest owned.

54