

Return of Organization Exempt From Income Tax

2006

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

A For the 2006 calendar year, or tax year beginning 07/01, 2006, and ending 06/30/2007

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

C Name of organization RAINBOWS FOR ALL GOD'S CHILDREN, INC. (D/B/A RAINBOWS)
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2100 GOLF ROAD SUITE #370
City or town, state or country, and ZIP + 4
ROLLING MEADOWS, IL 60008

D Employer identification number 36-3262836

E Telephone number (847) 952-1770

F Accounting method: Cash [] Accrual [X] 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 [X]

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

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

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

I Group Exemption Number

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

G Website: N/A

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

K Check here [] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000

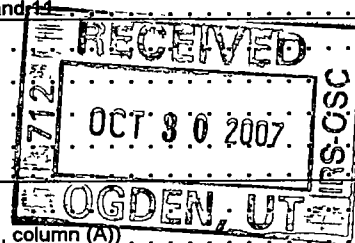
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 1,317,566.

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

Table with 21 rows of financial data including contributions, program service revenue, membership dues, interest on savings, dividends, other investment income, gross amount from sales of assets, special events, gross sales of inventory, other revenue, total revenue, program services, management and general, fundraising, payments to affiliates, total expenses, and net assets.

ENVELOPE OCT 24 2007 POSTMARK DATE

NOV 13 2007 SCANNED



For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2006)

Handwritten marks: 617, 4, and a large '11' with 'NR' next to it.

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)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	54,717.	51,981.	2,736.	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26 Salaries and wages of employees not included on lines 25a, b, and c	472,170.	358,832.	91,585.	21,753.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27				
29 Payroll taxes	48,553.	37,856.	8,692.	2,005.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees	5,269.	5,269.		
33 Supplies	30,711.	27,640.	3,071.	
34 Telephone	16,153.	14,538.	1,615.	
35 Postage and shipping	9,396.	9,396.		
36 Occupancy	128,085.	112,715.	15,370.	
37 Equipment rental and maintenance	3,304.	1,652.	1,652.	
38 Printing and publications	918.	918.		
39 Travel	3,018.	3,018.		
40 Conferences, conventions, and meetings	26,599.	26,599.		
41 Interest	15,207.		15,207.	
42 Depreciation, depletion, etc. (attach schedule)	6,863.	6,177.	686.	
43 Other expenses not covered above (itemize):				
a STMT 2	397,012.	359,661.	37,351.	
b				
c				
d				
e				
f				
g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	1,217,975.	1,016,252.	177,965.	23,758.

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

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

Part IV Balance Sheets (See the instructions.)

			(A)		(B)	
			Beginning of year		End of year	
Assets	45	Cash - non-interest-bearing	186,722.	45	45,323.	
	46	Savings and temporary cash investments		46		
	47a	Accounts receivable	35,126.			
	b	Less: allowance for doubtful accounts		42,471.	47c	35,126.
	48a	Pledges receivable	23,888.			
	b	Less: allowance for doubtful accounts		25,000.	48c	23,888.
	49	Grants receivable		49		
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a		
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b		
	51a	Other notes and loans receivable (attach schedule)				
	b	Less: allowance for doubtful accounts			51c	
	52	Inventories for sale or use		144,055.	52	176,250.
	53	Prepaid expenses and deferred charges		6,817.	53	5,376.
	54a	Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b	Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a	Investments - land, buildings, and equipment: basis				
	b	Less: accumulated depreciation (attach schedule)			55c	
	56	Investments - other (attach schedule)			56	
	57a	Land, buildings, and equipment: basis (STMT 6)	109,306.			
b	Less: accumulated depreciation (attach schedule)	97,177.	16,958.	57c	12,129.	
58	Other assets, including program-related investments (describe <input type="checkbox"/> STMT 7)		78,965.	58	53,631.	
59	Total assets (must equal line 74) Add lines 45 through 58		500,988.	59	351,723.	
Liabilities	60	Accounts payable and accrued expenses	195,379.	60	182,754.	
	61	Grants payable		61		
	62	Deferred revenue	19,700.	62	517.	
	63	Loans from officers, directors, trustees, and key employees (attach schedule) (STMT 8)	53,364.	63	58,364.	
	64a	Tax-exempt bond liabilities (attach schedule)		64a		
	b	Mortgages and other notes payable (attach schedule)		64b		
	65	Other liabilities (describe <input type="checkbox"/> STMT 9)		96,835.	65	121,252.
	66	Total liabilities. Add lines 60 through 65		365,278.	66	362,887.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted	-4,554.	67	-149,205.	
	68	Temporarily restricted	140,264.	68	138,041.	
	69	Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund		71		
	72	Retained earnings, endowment, accumulated income, or other funds		72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		135,710.	73	-11,164.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		500,988.	74	351,723.	

Part VI Other Information (continued)

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?
82b 30,093,003
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b Did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85a N/A
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues, assessments, and similar amounts from members N/A
85d Section 162(e) lobbying and political expenditures N/A
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices N/A
85f Taxable amount of lobbying and political expenditures (line 85d less 85e) N/A
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A
85h 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? N/A
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 N/A
86b Gross receipts, included on line 12, for public use of club facilities N/A
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders N/A
87b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them) N/A
88b 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
88a N/A
88b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A, section 4912 N/A, section 4955 N/A
89b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction X
89c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 N/A
89d Enter: Amount of tax on line 89c, above, reimbursed by the organization N/A
89e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? X
89f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? X
89g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? X
90a List the states with which a copy of this return is filed IL
90b Number of employees employed in the pay period that includes March 12, 2006 (See instructions) 13
91a The books are in care of SUZY YEHL MARTA Telephone no 847-952-1770
Located at 2100 GOLF ROAD #370 ROLLING MEADOWS, IL ZIP + 4 60008
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? X
If "Yes," enter the name of the foreign country AUSTRALIA
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No
 If "Yes," enter the name of the foreign country ▶ AUSTRALIA
 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 | N/A

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 <u>VOLUNTEER REGISTER</u>					
b <u>DIRECTOR TRAINING</u>					35,044.
c <u>VOLUNTEER</u>					
d <u>FACILITATOR TRAIN</u>					41,438.
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			14	2,313.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	241,142.	
102 Gross profit or (loss) from sales of inventory					259,494.
103 Other revenue: a					
b <u>ROYALTIES</u>			15	11,472.	
c <u>OTHER INCOME</u>			01	1,271.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))				256,198.	335,976.
105 Total (add line 104, columns (B), (D), and (E)) ▶					592,174.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 15

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

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

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

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

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

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No

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

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No

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

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? Yes No

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer: Suzy Y. Marta Date: 10/24/07

Type or print name and title: Suzy Y. Marta President

Paid Preparer's Use Only

Preparer's signature: Donath L. Touhin Date: OCT 17 2007 Check if self-employed: Preparer's SSN or PTIN (See Gen Inst X): P00079651

Firm's name (or yours if self-employed), address, and ZIP + 4: OSTROW REISIN BERK & ABRAMS, LTD. EIN: 36-2938874

455 N CITYFRONT PLAZA DR, STE 2600 Phone no: 312-670-7444

CHICAGO, IL 60611-5379 Form **990** (2006)

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

2006

Name of the organization **RAINBOWS FOR ALL GOD'S CHILDREN, INC.**
(D/B/A RAINBOWS)

Employer identification number
36-3262836

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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
SEE STATEMENT 16				
Total number of other employees paid over \$50,000 . . . ▶		NONE		

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 ▶		NONE

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 ▶		NONE

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

Schedule A (Form 990 or 990-EZ) 2006

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	X
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	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT 17	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a	X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	
d Enter the total number of donor advised funds owned at the end of the tax year ► _____		
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____		
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts ► _____		NONE
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____		NONE

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

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

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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.

Table with columns for years (a) 2005, (b) 2004, (c) 2003, (d) 2002, and (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	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	
34 a 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 10 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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 - If the amount on line 40 is - The lobbying nontaxable amount is -		
Not over \$500,000 20% of the amount on line 40	41	
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Calendar year (or fiscal year beginning in) ▶					
Lobbying nontaxable amount					
Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
Grassroots nontaxable amount					
Grassroots ceiling amount (150% of line 48(e))					
49 Grassroots lobbying expenditures					
50 Total lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 13 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 13 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?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
d If the answer to any of the above is "Yes," complete the following schedule. 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:

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

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:

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

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GOLF OUTING	254,730.	69,317.	185,413.
APPEAL LETTERS	28,358.	2,888.	25,470.
ILLINOIS OTHER	2,841.	1,121.	1,720.
NEW JERSEY MARATHON	500.		500.
NEW JERSEY OTHER	8,290.	1,766.	6,524.
MARYLAND OTHER	2,616.	1,200.	1,416.
5K RUN	13,738.	5,884.	7,854.
MARYLAND GOLF OUTING	23,349.	11,104.	12,245.
TOTALS	334,422.	93,280.	241,142.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
INSURANCE	74,212.	60,362.	13,850.
STAFF MEETING EXPENSE	3,672.	3,672.	
PROGRAM REVISIONS	5,284.	5,284.	
SITE DEVELOPMENT	127,675.	127,675.	
ADVERTISING AND PROMOTION	12,516.	12,516.	
AUTOMOBILE EXPENSE	7,477.	7,477.	
PROFESSIONAL FEES	108,788.	102,682.	6,106.
REPAIRS AND MAINTENANCE	4,356.	3,384.	972.
UTILITIES	13,135.	8,800.	4,335.
MISCELLANEOUS	4,007.	3,005.	1,002.
FACILITATOR TRAINING	23,026.	23,026.	
DUES AND SUBSCRIPTIONS	3,556.	1,778.	1,778.
BAD DEBTS	4,076.	4,076.	
BANK CHARGES	5,232.	5,232.	
TOTALS	397,012.	359,661.	37,351.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

RAINBOWS OFFERS TRAINING AND CURRICULA TO ESTABLISH COMMUNITY-BASED PEER SUPPORT GROUPS IN SCHOOLS, FAITH COMMUNITIES, HOSPITALS, AND SOCIAL SERVICE AGENCIES. THESE SUPPORT GROUPS PROVIDE CHILDREN AND TEENS WHO ARE GRIEVING AN OPPORTUNITY TO RESOLVE THEIR FEELINGS IN AN ACCEPTING ENVIRONMENT FACILIATATED BY A VOLUNTEER TRAINED BY RAINBOWS.

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

FIXED ASSET DETAIL

ACCUMULATED DEPRECIATION DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL			ACCUMULATED DEPRECIATION DETAIL				
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
FURN & FIXT-6/97	SL	13,012.			13,012.	13,012.			13,012.
FURN & FIXT - NJ	SL	4,044.			4,044.	4,044.			4,044.
FURN & FIXT.-PRE96F	SL	16,335.			16,335.	16,335.			16,335.
FURN & FIXT.-NJ	SL	6,272.			6,272.	6,272.			6,272.
FURN & FIXTURES-NJF	M7	1,335.			1,335.	1,196.			1,196.
FURN & FIXTURES-GAF	SL	1,070.			1,070.	1,069.			1,069.
EQUIPMENT - GA	SL	6,429.			6,429.	6,429.			6,429.
FURNITURE DEPOSIT	SL	466.			466.	328.	47.		375.
F/F HQ 1999	SL	973.			973.	663.	97.		760.
F/F HQ 2000	SL	1,080.			1,080.	684.	108.		792.
F/F GA 2001	SL	1,325.			1,325.	797.	133.		930.
SOFTWARE NJ 2001	SL	5,000.			5,000.	5,000.			5,000.
F/F HQ 2001	SL	1,175.			1,175.	685.	118.		803.
SOFTWARE HQ 2001	SL	10,495.			10,495.	10,495.			10,495.
F/F NJ 2001	SL	1,225.			1,225.	646.	123.		769.
F/F HQ 2001	SL	2,250.			2,250.	1,299.	225.		1,524.
F/F NJ 2001	SL	1,120.			1,120.	597.	112.		709.
PHONE SYSTEM LEASEP	SL	4,570.			4,570.	2,133.	914.		3,047.

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

FIXED ASSET DETAIL

ACCUMULATED DEPRECIATION DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
CANON COPIER	SL	930.			930.	418.	186.		604.
COMPUTERS	SL	6,000.			6,000.	4,666.	1,334.		6,000.
COMPUTER (NJ)	SL	1,062.			1,062.	1,062.			1,062.
COMPUTER (NJ)	SL	1,161.			1,161.	1,161.			1,161.
LAPTOP (NJ)	SL	2,000.			2,000.	2,000.			2,000.
SBT PRO SERIES UP	SL	2,855.			2,855.	2,855.			2,855.
BOOKCASES	SL	1,192.			1,192.	1,192.			1,192.
COMPUTER (IL)	SL	3,020.			3,020.	3,020.			3,020.
MODULAR WORK CTR	SL	319.			319.	319.			319.
COMPUTER - DONATEDC	SL	1,369.			1,369.	342.	274.		616.
COMPUTER EQUIP- MD	SL		1,785.		1,785.		149.		149.
REFRIGERATOR	SL	453.			453.	16.	65.		81.
COMPUTER EQUIPMENT	SL	1,265.			1,265.	422.	422.		844.
COMPUTER EQUIPMENTC	SL		249.		249.		69.		69.
COPIER	SL	3,399.			3,399.	661.	1,133.		1,794.
PROJECTOR	SL	808.			808.	135.	269.		404.
WIRELESS PROJECTOR	SL	540.			540.	75.	180.		255.
COMPUTERS	SL	2,424.			2,424.	269.	808.		1,077.

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

ACCUMULATED DEPRECIATION DETAIL

FIXED ASSET DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL			ACCUMULATED DEPRECIATION DETAIL		
		BEGINNING BALANCE	ADDITIONS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	ENDING BALANCE
SOFTWARE	SL	300.		300.	17.	100.	117.
TOTALS		107,273.		109,307.	90,314.		97,180.

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
SECURITY DEPOSITS	12,450.
PLEDGES RECEIVABLE, LONG-TERM	41,181.
TOTALS	----- 53,631. =====

FORM 990, PART IV - LOANS FROM OFFICERS, DIRECTORS, ETC

=====

LENDER: SUZY MARTA, FOUNDER
 ORIGINAL AMOUNT: 35,164.
 DATE OF NOTE: VAR
 REPAYMENT TERMS: ON DEMAND
 PURPOSE OF LOAN: FOR GENERAL OPERATING PURPOSES

BEGINNING BALANCE DUE	53,364.
ENDING BALANCE DUE	58,364.

TOTAL BEGINNING LOANS FROM OFFICERS, DIRECTORS, ETC.	53,364.
	=====

TOTAL ENDING LOANS FROM OFFICERS, DIRECTORS, ETC.	58,364.
	=====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
NOTES PAYABLE, BANK	94,657.
LEASE OBLIGATION, CURRENT	1,100.
CUSTOMER DEPOSITS	25,495.
TOTALS	----- 121,252. =====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
COST OF GOODS SOLD	153,185.
TOTAL	153,185.

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION

AMOUNT

COST OF GOODS SOLD

153,185.

TOTAL

153,185.
=====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUZU YEHL MARTA ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES CAN BE REACHED AT THE ADDRESS OF THE ORGANIZATION	FOUNDER 40.00	54,717.		
JOHN BLACKBURN	CHAIRPERSON			
MARK JOHNSON	CHAIRPERSON			
LINDA SARAN	DIRECTOR			
NICOLE LEV	DIRECTOR			
DAN MASTROPIERI	DIRECTOR			
THOMAS FIELD	DIRECTOR			
DANNIELLE FISHEL	DIRECTOR			
CURT FUNKE	DIRECTOR			
ROD HART	DIRECTOR			
GREG LEOS	DIRECTOR			
FREDERICK NEIL	DIRECTOR			
DAVID PODBER	DIRECTOR			
CARL SKOOG	SECRETARY			

RAINBOWS FOR ALL GOD'S CHILDREN, INC.

36-3262836

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MICHAEL STANCZAK	DIRECTOR			
JUDY WHITCOMB	DIRECTOR			
K.C. WIGLE	DIRECTOR			
	GRAND TOTALS	54,717.		

FORM 990, PART VI - CHANGES TO ORGANIZING OR GOVERNING DOCUMENT
=====

SEE ATTACHED AMENDMENTS TO BY-LAWS

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
--------------------	---

102	SALES OF CHILDREN'S PROGRAM MATERIALS: THE BOOKS, PERSONAL JOURNALS, ACTIVITIES AND MANUALS THROUGH WHICH THE CHILDREN ARE ABLE TO ARTICULATE THEIR GRIEF IN A NON-THREATENING, INVITING MANNER.
-----	--

93AC	RAINBOWS MANDATES THAT EVERY VOLUNTEER MUST BE TRAINED IN RAINBOWS METHODOLOGY AND PHILOSOPHY TO ENSURE THEY ARE PREPARED THOROUGHLY AND TO PREVENT BURNOUT
------	---

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION
TAMMY LABAR 2100 GOLF ROAD, SUITE 370 ROLLING MEADOWS, IL	CHAPTER DIRECTOR	52,000.
SUZY MARTA 2100 GOLF ROAD, SUITE 370 ROLLING MEADOWS, IL	PRESIDENT	54,717.
		40.00
	TOTAL COMPENSATION	106,717.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE FORM 990, PART V.

AMENDMENT

Governing Board of RAINBOWS

BANKING

RESOLVED, that the only 3 Bank Accounts to be maintained by the principal office of Rainbows for All Gods Children (d/b/a – RAINBOWS) will be at: Royal American Bank. All monies received by the principal office shall be deposited promptly and directly into the regular checking account 300-621-0 or money account 200-360-6

All drafts, checks and similar instruments written by the principal office will require one signature from Group A or two signatures from Group B or one signature from Group A and one signature from Group B.

Group A: President (not exceed \$15,000) or Executive V.P. (not exceed \$5,000)

Group B: President or Executive V.P and Governing Board Treasurer

The President will copy this resolution to the Banks and make the necessary steps to have signature cards completed and for the Banks to acknowledge in writing their receipt of instructions.

LEASES AND CONTRACTS

RESOLVED, that all leases and contracts entered into by the Corporation which have a value of \$50,000 or greater and/ or incur annual payments in excess of \$10,000 will be executed by the President or Executive Vice-President and the Governing Board Treasurer, individually, without further action by the Governing Board.

COMPENSATION

RESOLVED, that the Corporation is hereby authorized to pay compensation to the Officers and Senior Staff (President and Executive Vice-President) of the Corporation for the upcoming fiscal year in the amounts set forth in the schedule of compensation reviewed and approved by the Governing Board.

AUDIT

RESOLVED, that the Corporation is hereby authorized to appoint a Certified Public Accounting firm to serve as auditor for the Corporation for the upcoming fiscal year, such auditor and the fee for annual audit to be determined by the Governing Board.