

2006

Open to Public Inspection

Form 990

Return of Organization Exempt From Income Tax

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

Department of the Treasury Internal Revenue Service

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

Header section A-M containing organization details: A For the 2006 calendar year, or tax year beginning 10/1, 2006, and ending 9/30, 2007; B Check if applicable; D Employer identification number 36-6132381; E Telephone number (815) 965-5332; F Accounting method: Accrual; G Website: www.rockfordrescuemission.org; J Organization type: 501(c)(3); L Gross receipts: 3,392,233.

200612 031530000 29 IB
ROCKFORD RESCUE MISSION MINISTRIES
ROCKFORD RESCUE MISSION
PO BOX 1958
ROCKFORD IL 61110-0458

IRS

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

Main table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions (1), Program service revenue (2), Special events (9), and Total revenue (12). Total revenue is 3,322,777. Total expenses are 2,892,076. Net assets at end of year are 5,487,152.

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising		
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>						
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)	61,266	61,266	STATEMENT 2			
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)	66,873	33,437			16,718	16,718
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	6,500				6,500	
25c	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)	1,107,097	895,005	100,536	111,556		
26	Salaries and wages of employees not included on lines 25a, b, and c						
27	Pension plan contributions not included on lines 25a, b, and c						
28	Employee benefits not included on lines 25a - 27	105,896	85,118	10,956	9,822		
29	Payroll taxes	84,213	65,545	9,218	9,450		
30	Professional fundraising fees	141,311			141,311		
31	Accounting fees	13,492	3,383	9,747	362		
32	Legal fees						
33	Supplies	27,738	26,587	873	278		
34	Telephone	11,548	8,578	1,521	1,449		
35	Postage and shipping	80,225	628	672	78,925		
36	Occupancy	100,386	93,909	4,105	2,372		
37	Equipment rental and maintenance						
38	Printing and publications						
39	Travel						
40	Conferences, conventions, and meetings						
41	Interest	12,678	11,157	1,014	507		
42	Depreciation, depletion, etc. (attach schedule)	172,505	161,122	6,488	4,895		
43	Other expenses not covered above (itemize):						
43a	STATEMENT 3	487,526	420,140	16,917	50,469		
43b							
43c	STATEMENT 4	412,822	412,822				
43d							
43e							
43f							
43g							
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,892,076	2,278,697	185,265	428,114		

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 \$ 24,044; (ii) the amount allocated to Program services \$ 21,640; (iii) the amount allocated to Management and general \$ -0-; and (iv) the amount allocated to Fundraising \$ 2,404

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)		(B)	
		Beginning of year		End of year	
Assets	45 Cash—non-interest-bearing	312,075	45	780,312	
	46 Savings and temporary cash investments	41,976	46	46,795	
	47a Accounts receivable	110,790			
	b Less: allowance for doubtful accounts				
			118,607	47c	110,790
	48a Pledges receivable				
	b Less: allowance for doubtful accounts			48c	
	49 Grants receivable			49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a Other notes and loans receivable (attach schedule)				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use	251,960	52	253,047	
	53 Prepaid expenses and deferred charges	45,481	53	42,709	
	54a Investments—publicly-traded securities			54a	
	<input type="checkbox"/> Cost <input type="checkbox"/> FMV				
	b Investments—other securities (attach schedule)			54b	
	<input type="checkbox"/> Cost <input type="checkbox"/> FMV				
	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					
b Less: accumulated depreciation (attach schedule)					
	4,534,976	4,624,441	57c	4,534,976	
58 Other assets, including program-related investments (describe ► Gift cards, deposits)		9,540	58	14,029	
59 Total assets (must equal line 74). Add lines 45 through 58		5,404,080	59	5,782,658	
Liabilities	60 Accounts payable and accrued expenses	175,486	60	134,270	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ► STATEMENT 6)		172,143	65	161,236
	66 Total liabilities. Add lines 60 through 65		347,629	66	295,506
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	5,033,403	67	5,481,326	
	68 Temporarily restricted	23,048	68	5,826	
	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)		5,056,451	73	5,487,152
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		5,404,080	74	5,782,658

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?	✓	
	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.) <u>STATEMENT 7</u> 82b 39,693		
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 <i>quid pro quo</i> contributions?	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		✓
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
	c Dues, assessments, and similar amounts from members 85c		
	d Section 162(e) lobbying and political expenditures 85d		
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
	f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g		
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a		
	b Gross receipts, included on line 12, for public use of club facilities 86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a		
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a		
	b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b		
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>-0-</u> ; section 4912 ▶ <u>-0-</u> ; section 4955 ▶ <u>-0-</u>		
	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b		✓
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶		
	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e		✓
	f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f		✓
	g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g		
90a	List the states with which a copy of this return is filed ▶ <u>Illinois</u>		
	b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b 59		
91a	The books are in care of ▶ <u>Bev Giloy</u> Telephone no. ▶ <u>(815) 965-5332</u> Located at ▶ <u>715 W. State St. Rockford, IL</u> ZIP + 4 ▶ <u>61102-2203</u>		
	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 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.		

Part VI Other Information *(continued)*

Yes	No
	<input checked="" type="checkbox"/>

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 If "Yes," enter the name of the foreign country ▶

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

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Resale shops					490,008
b Recycle of bulk clothing					61,347
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					16,981
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	3,200	9,000
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					15,868
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Soft drink sales					6,596
b Misc receipts					6,706
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				3,200	606,506
105 Total (add line 104, columns (B), (D), and (E))					609,706

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)
▼	STATEMENT 8

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
N/A	%			
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes 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
	✓

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

Please Sign Here

Signature of officer: David M Koch Date: 11/21/08

Type or print name and title: David M Koch

Paid Preparer's Use Only

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

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

EIN: _____ Phone no: (____) _____



SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization Rockford Rescue Mission Ministries	Employer identification number 36 : 6132381
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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
Rev. Patrick Clinton 2307 Jonquil Rockford, IL 61107	Dir of Men's Programs & Community Outreach	28,562	4,120	25,000 clergy housing allowance
Total number of other employees paid over \$50,000 . ▶		1		

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
Grizzard 110 N. Maryland Ave Glendale, CA 91206	Fund raising - direct mail	140,529
Total number of others receiving over \$50,000 for professional services ▶		1

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

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

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

	Yes	No
<p>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)</p> <p>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</p>	1	✓
<p>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.) STATEMENT 9</p>		
<p>a Sale, exchange, or leasing of property?</p>	2a	✓
<p>b Lending of money or other extension of credit?</p>	2b	✓
<p>c Furnishing of goods, services, or facilities?</p>	2c	✓
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	✓
<p>e Transfer of any part of its income or assets?</p>	2e	✓
<p>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)</p>	3a	✓
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	✓
<p>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</p>	3c	✓
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d	✓
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a	✓
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b	
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c	
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>		
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>		
<p>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 right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____</p>		-0-
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>		-0-

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.

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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	2,833,446
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	19,019	65,139	15,978	19,697	119,833
23 Total of lines 15 through 22	3,024,949	2,408,356	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 2002 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 <u>12,352</u>	19 <u>-0-</u>			
	22 <u>119,833</u>	26b <u>153,270</u>			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:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
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:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines:	15 _____	16 _____			
	17 _____	20 _____	21 _____		
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 2002 through 2005, 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 9 of the instructions.)
(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	32a	
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	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?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
	----- ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	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?	33h	
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
	----- ----- -----		
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 10 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—		
	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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 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

LINE EXPLANATION OF RELATIONSHIP OF ACTIVITIES

2A The Mission leases space for the Healing Place program from relatives of the Executive Director. The lease was renewed December 2006 and expires December 31, 2007. The rental fee for this fiscal year was \$16,050.

2D One relative of the Executive Director provided employment services to the Mission and was compensated \$22,443.

FORM 990 - 2006-7

OTHER INCOME

STATEMENT 10

<u>DESCRIPTION</u>	<u>2005 AMOUNT</u>	<u>2004 AMOUNT</u>	<u>2003 AMOUNT</u>	<u>2002 AMOUNT</u>
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	<u>842</u>	<u>1,488</u>	<u>611</u>
TOTAL TO SCHEDULE A, LINE 22	<u>19,019</u>	<u>65,139</u>	<u>15,978</u>	<u>19,697</u>

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
OCTOBER 2006 - SEPTEMBER 2007
36-6132381

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

<u>Event</u>	<u>Receipts</u>	<u>Contributions</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net Income</u>
Telethon	130,931	104,408	26,523	33,481	(6,958)
Walkathon	19,140	0	19,140	361	18,779
Jim Morris	26,353	5,757	20,596	21,771	(1,175)
Women's Gathering	30,523	11,458	19,065	13,843	5,222
	<u>206,947</u>	<u>121,623</u>	<u>85,324</u>	<u>69,456</u>	<u>15,868</u>
Included in line 1a		121,623			
Total for line 9a			85,324		
Total for line 9b				69,456	
Net Income for line 9c					15,868

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
OCTOBER 2006 - SEPTEMBER 2007
36-6132381

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

	<u>Total</u>	<u>Program</u>	<u>General</u>	<u>Fund Raising</u>
Building & property improvements	126,597	119,291	4,118	3,188
Vehicles	8,072	8,072		
Tools and equipment	267	267		
Office & kitchen equipment	37,569	33,492	2,370	1,707
	<u>172,505</u>	<u>161,122</u>	<u>6,488</u>	<u>4,895</u>

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
OCTOBER 2006 - SEPTEMBER 2007
36-6132381

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

	October 2006 - September 2007			
	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation Expense</u>
Land	539,507		539,507	
Buildings & improvements	5,080,635	1,219,583	3,861,053	132,526
Land Improvement	16,049	8,442	7,607	1,610
Vehicles	75,668	58,411	17,257	8,072
Musical Instruments & sound equipment	13,675	12,742	934	
Furnishing, Program	264,786	225,195	39,591	17,162
Office Equipment	159,782	138,360	21,422	11,383
Kitchen Equipment	105,186	60,064	45,122	8,386
Tools & equipment	31,845	31,649	196	267
Fixtures & equipment in resale store	<u>34,220</u>	<u>31,930</u>	<u>2,289</u>	<u>638</u>
	<u>6,321,352</u>	<u>1,786,376</u>	<u>4,534,976</u>	<u>180,043</u>

	January - September 2006			
	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation Expense</u>
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	<u>34,220</u>	<u>31,292</u>	<u>2,928</u>	<u>11</u>
	<u>6,233,769</u>	<u>1,609,327</u>	<u>4,624,442</u>	<u>136,625</u>

ROCKFORD RESCUE MISSION MINISTRIES
FORM 990
OCTOBER 2006 - SEPTEMBER 2007
36-6132381

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

(A)	(B)	(C)	(D)	(E)
<u>Name & Address</u>	<u>Title and Avg. Hrs. per Wk</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Act. and Other Allowance</u>
Cheryl Pitney 7020 Thomas Dr Loves Park, IL 61111	Executive Director	\$66,873	* -0-	-0-
		<u>\$66,873</u>		

* Salary

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

FORM 990 - 2006-7

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY

GROSS
RENTAL INCOME

FACILITIES

12,200

TOTAL TO FORM 990, PART I, LINE 6A

12,200

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

FORM 990 - 2006-7

SPECIFIC ASSISTANCE TO INDIVIDUALS

STATEMENT 2

DESCRIPTION	AMOUNT
SUNDRY ASSISTANCE TO HOMELESS, INCLUDING MEDICAL CARE, EDUCATION, AND RECREATION	<u>61,266</u>
TOTAL TO FM 990, PART II, LINE 23	<u><u>61,266</u></u>

ROCKFORD RESCUE MISSION MINISTRIES

<u>FORM 990 - 2006-7</u>	<u>OTHER EXPENSES</u>			<u>STATEMENT 3</u>
<u>DESCRIPTION</u>	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C.) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING</u>
BUILDING MAINT	80,245	75,343	3,260	1,642
DONATED FOOD, CLOTHES HOUSEWARES	248,956	248,956		
EDUCATION/AWARENESS	7,979	6,118	636	1,225
INSURANCE	53,772	45,760	5,240	2,772
MISCELLANEOUS	0	0	0	0
OFFICE SUPPLIES & SERVICE	11,660	6,663	2,724	2,273
OTHER EMPLOYEE EXP	4,736		4,736	
PROMOTION, PUBLICATIONS R/E TAXES	68,486	27,328		41,158
VEHICLE OPERATIONS	1,080	1,080		
VOLUNTEER OPERATIONS	8,448	6,728	321	1,399
	<u>2,164</u>	<u>2,164</u>		
 TOTAL TO FM 990, LN 43	<u>487,526</u>	<u>420,140</u>	<u>16,917</u>	<u>50,469</u>

ROCKFORD RESCUE MISSION MINISTRIES

FORM 990 - 2006-7	MISSION MART THRIFT STORES	STATEMENT	4
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<u>DESCRIPTION</u>	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C0) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING</u>
ACCOUNTING, AUDITING & LEGAL	432	432		
ADVERTISING	606	606		
BUILDING MAINTENANCE & SUPPLIES	6,832	6,832		
BUILDING INSURANCE	1,176	1,176		
BUILDING RENTAL	60,000	60,000		
DEPRECIATION	7,539	7,539		
EDUCATION	292	292		
EQUIPMENT REPAIRS	716	716		
HEALTH, DISABILITY, & FLEX INS.	24,121	24,121		
LIABILITY & OTHER INSURANCE	2,175	2,175		
OFFICE SUPPLIES & SERVICES	801	801		
PAYROLL TAXES	14,230	14,230		
POSTAGE	216	216		
PURCHASED ITEMS FOR RESALE	60	60		
SALARIES & WAGES	212,862	212,862		
SMALL EQUIPMENT PURCHASES	347	347		
RETAIL SUPPLIES	1,446	1,446		
OTHER SUPPLIES	11,467	11,467		
TELEPHONE	2,074	2,074		
UTILITIES	54,368	54,368		
VEHICLE INSURANCE	1,980	1,980		
VEHICLE OPERATION	2,780	2,780		
WORKER'S COMPENSATION INS.	6,302	<u>6,302</u>		
TOTAL TO FM 990, LN 43	<u>412,822</u>	<u>412,822</u>	<u>0</u>	<u>0</u>

ROCKFORD RESCUE MISSION

STATEMENT OF MINISTRIES
OCTOBER 2006-SEPTEMBER 2007

The Mission's Primary Ministries: being the area's primary 24 hour emergency shelter for men; 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, job readiness training, and medical clinic services for our program residents; and without governmental restriction communicating the Gospel of Jesus Christ in everything we do. All our services are free.

Spiritual Transformation: breaking destructive lifestyles by introducing people to Jesus Christ as Savior and Lord. 1,925 recorded spiritual responses. We held nightly required chapels (average attendance 99) and our staff conducted 4,047 counseling/case management sessions in one-on-one efforts to assist people toward personal and spiritual wholeness.

Lodging: averaged 96 people/night (84 men, 10 women, 2 children); 34,994 total nights lodging given.

Meals Served: averaged 120 people three times/day; with 131,763 total meals served.

Crisis Services: Men's Crisis-1,079 different men served, of whom 209 participated in New Day, our Stage 1 Life Recovery Program; Women's Crisis-34 women and 37 children served. That's a total of 1,150, plus the scores of others who only came to our meals! Employment secured: women-1 full-time & 3 part-time; men-95 full-time and 33 part-time. Stable Housing secured: women-18 and men-202. Medical Clinic sessions-1,051.

Life Recovery Services: 93 completed *Stage 1* (min. 45 days), 44 completed *Stage 2* (3 months), 28 completed *Stage 3* (5 months), 16 *graduated* (after an additional 6 months clean). **Education:** 31 completed the program, 3 received a high school diploma/GED, and 14 enrolled in further education/job training. **Employment** secured: women-9 and men-28. **Stable Housing** secured: women-4 and men-14.

The Healing Place is our community outreach to hurting church women for encouragement and referral through a 24 hour telephone ministry and a day retreat center. The program was launched in November 2006. They received 333 phone calls from 90 women, with 61 of the callers coming to the retreat center.

Volunteer Services: 25,659 recorded hours during 9,463 occasions by 4,351 individuals and 638 groups (monthly cumulative numbers), plus many additional unrecorded hours by individuals and groups.

Mission Mart, resale operation: 6,787 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. In all our services we were free to share Christ with absolutely no restrictions. **Our operating budget was \$3.4 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?

1 John 3:16, 17

ROCKFORD RESCUE MISSION MINISTRIES

FORM 990 - 2006-7

BALANCE SHEET
OTHER LIABILITIES

STATEMENT 6

<u>DESCRIPTION</u>	<u>BEGINNING OF YEAR</u>	<u>SEPT 30, 2007</u>
FUNDS HELD FOR RESIDENTS	1,099	5,714
ACCRUED LONG-TERM COMPENSATION	<u>171,044</u>	<u>155,522</u>
TOTAL TO FORM 990, PART IV, LINE 65	<u>172,143</u>	<u>161,236</u>

LINE

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

UNRESTRICTED SUPPORT	
PROGRAM ACTIVITIES	24,163
ADMINISTRATIVE ACTIVITIES	10,830
FUNDRAISING ACTIVITIES	<u>4,700</u>
TOTAL	<u><u>39,693</u></u>

FORM 990 - 2006-7 PART VIII - RELATIONSHIP OF ACTIVITIES TO
ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 8

<u>LINE</u>	<u>EXPLANATION OF RELATIONSHIP OF ACTIVITIES</u>
93A	Sales of donated household goods at resale shop
93B	Donated personal/household items sold as recycle or bulk materials
97B	Revenue from program participants in transition to independent living.
103A	Refreshment to program participants, volunteers, staff
103B	Revenue from sale of scrap materials, donated vehicles, etc used to cover general costs of ministry to homeless & hurting people.

Rockford Rescue Mission Ministries

Audited Financial Statements

For the year ended September 30, 2007 and
the nine months ended September 30, 2006

FARRELL
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Rockford Rescue Mission Ministries

Table of Contents

	<u>Pages</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to Financial Statements	6 – 12
Independent Auditors' Report on Supplemental Material	13
Supplemental Material	
Schedules of Resale Store Expenses	14

Farrell & Associates CPAs, LLC

Certified Public Accountants & Business Advisors

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, 2007 and 2006, and the related statements of activities, cash flows, and functional expenses for the year and nine months then ended, respectively. 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.

Except as discussed in the following paragraph, 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.

We were unable to obtain confirmation for a receivable that is stated at \$75,000 at September 30, 2007. See Note 9 for further details regarding this receivable.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain evidence regarding the receivable, the financial statements referred to above present fairly, in all material respects, the financial position of Rockford Rescue Mission Ministries at September 30, 2007 and 2006, and the changes in its net assets and its cash flows for the year and nine months then ended, respectively, in conformity with accounting principles generally accepted in the United States of America.

Farrell & Associates CPAs, LLC

Certified Public Accountants

Rockford, Illinois
December 12, 2007

	<i>September 30, 2007</i>	<i>September 30, 2006</i>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 28,342	\$ 72,772
Accrued payroll	97,621	95,006
Residents' funds held in trust	5,714	1,099
Current portion of deferred compensation (Note 8)	16,719	15,474
Other accrued expenses	8,307	7,708
Total current liabilities	156,703	192,059
Deferred compensation, less current portion (Note 8)	138,803	155,570
Total liabilities	295,506	347,629
Net assets		
Unrestricted		
Board designated	46,795	41,976
Undesignated	5,434,531	4,991,427
Temporarily restricted (Note 11)	5,826	23,048
Total net assets	5,487,152	5,056,451
Total liabilities and net assets	\$ 5,782,658	\$ 5,404,080

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

Rockford Rescue Mission Ministries

Statements of Activities

	Year ended September 30, 2007			Nine months ended September 30, 2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Public support	\$ 2,515,487	\$ 18,706	\$ 2,534,193	\$ 1,315,140	\$ 40,610	\$ 1,355,750
In-kind contributions	303,895	-	303,895	198,077	-	198,077
Sales from resale shops	490,008	-	490,008	366,123	-	366,123
Sales of bulk clothing and recycled materials	61,347	-	61,347	30,096	-	30,096
Interest income	16,981	-	16,981	1,070	-	1,070
Vending	6,596	-	6,596	4,762	-	4,762
Other revenue	18,906	-	18,906	83,002	-	83,002
Gain on sale of property and equipment	-	-	-	150	-	150
Net assets released from restrictions	35,928	(35,928)	-	26,393	(26,393)	-
Total support and revenue	3,449,148	(17,222)	3,431,926	2,024,813	14,217	2,039,030
Expenses						
Program services	2,302,860	-	2,302,860	1,781,033	-	1,781,033
Supporting services						
Management and general	196,095	-	196,095	150,863	-	150,863
Fundraising	502,270	-	502,270	322,370	-	322,370
Total supporting services	698,365	-	698,365	473,233	-	473,233
Total expenses	3,001,225	-	3,001,225	2,254,266	-	2,254,266
Increase (decrease) in net assets	447,923	(17,222)	430,701	(229,453)	14,217	(215,236)
Net assets, beginning of period	5,033,403	23,048	5,056,451	5,262,856	8,831	5,271,687
Net assets, end of period	\$ 5,481,326	\$ 5,826	\$ 5,487,152	\$ 5,033,403	\$ 23,048	\$ 5,056,451

See accompanying independent auditors' report and notes to financial statements

Rockford Rescue Mission Ministries

Statements of Cash Flows

	<i>Year ended</i> <i>September 30, 2007</i>	<i>Nine months ended</i> <i>September 30, 2006</i>
Cash flows from operating activities		
Change in net assets	\$ 430,701	\$ (215,236)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Gain) on disposal of property and equipment	-	(150)
Depreciation including resale shops' depreciation of \$7,539 and \$5,717, respectively	180,044	136,625
Noncash contribution of an asset	(9,700)	-
(Increase) decrease in assets:		
Accounts and bequest receivable	7,817	(42,211)
Inventories	(1,087)	9,106
Prepaid expenses	2,772	38,258
Other assets	(4,489)	5,649
Increase (decrease) in liabilities:		
Accounts payable	(44,430)	(29,603)
Accrued expenses and other liabilities	(12,308)	14,839
Net cash provided by (used in) operating activities	549,320	(82,723)
Cash flows from investing activities		
Purchases of property and equipment, net	(2,800)	(14,001)
Purchase of land	(78,079)	(2,325)
Net proceeds from disposal of property and equipment	-	600
Net cash used in investing activities	(80,879)	(15,726)
Cash flows from financing activities		
Funds transferred to Board designated certificate of deposit	(4,819)	(7,879)
Net cash used in financing activities	(4,819)	(7,879)
Net increase (decrease) in cash and cash equivalents	463,622	(106,328)
Cash and cash equivalents, beginning of period	310,976	417,304
Cash and cash equivalents, end of period	\$ 774,598	\$ 310,976

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

Nine months ended September 30, 2006

	<i>Program Services</i>	<i>Management and General</i>	<i>Fund- raising</i>	<i>Total</i>
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 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 functional expenses	\$ 1,781,033	\$ 150,863	\$ 322,370	\$ 2,254,266

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

Rockford Rescue Mission Ministries

Notes to Financial Statements

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

Nature of Operations

Rockford Rescue Mission Ministries (the 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 2006. The period ended September 30, 2006, presented in these statements 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 \$258,000 as of September 30, 2007, and approximately \$193,000 as of September 30, 2006.

Rockford Rescue Mission Ministries

Notes to Financial Statements

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 Mart's 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 the Mission Mart's resale shops. 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.

Rockford Rescue Mission Ministries

Notes to Financial Statements

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:

	<u>Years</u>
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.

Note 2. Related Party Transactions

One relative of the executive director provided employment services to the Mission during the year ended September 30, 2007, and the nine months ended September 30, 2006, in the amounts of approximately \$22,500 and \$14,800, respectively.

Rockford Rescue Mission Ministries

Notes to Financial Statements

The Mission leases space for the Healing Place program from relatives of the executive director. The lease was renewed in December 2006 and expires December 31, 2007. Rental fees of \$16,050 and \$15,010 were paid for the year ended September 30, 2007, and for the nine months ended September 30, 2006, respectively. Minimum rental commitments for the fiscal year ending September 30, 2008, are \$3,750.

Note 3. Inventories

Inventories at September 30, 2007 and 2006, consist of the following:

	<i>September 30, 2007</i>	<i>September 30, 2006</i>
Donated food and supplies	\$ 61,776	\$ 55,586
Donated clothing and housewares, intended for resale	187,803	192,277
Musical recordings	3,468	4,097
Total inventories	\$ 253,047	\$ 251,960

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 4. Property and Equipment

Property and equipment consist of the following:

	<i>September 30, 2007</i>	<i>September 30, 2006</i>
Land	\$ 539,507	\$ 461,428
Building and improvements	5,080,635	5,080,635
Parking lots	16,049	16,049
Kitchen equipment	105,186	105,186
Program furnishings and equipment	264,785	255,085
Vehicles	75,668	75,668
Musical instrument and sound equipment	13,675	13,675
Office equipment	91,291	91,487
Tools and equipment	31,845	31,845
Computer equipment	68,491	68,491
Store fixtures and equipment	34,220	34,220
Total property and equipment	6,321,352	6,233,769
Accumulated depreciation	(1,786,376)	(1,609,328)
Net property and equipment	\$ 4,534,976	\$ 4,624,441

Note 5. Line-of-Credit

At September 30, 2007 and 2006, the Mission had an unused line-of-credit for \$1,000,000 with a bank. The interest rate was 8.25 percent and 7.5 percent, respectively. The agreement expires March 16, 2008. The line was secured by promises to give and property and equipment.

Note 6. Commitments

The Mission leases rental space for its Rockford Southgate store. The lease was renewed in September 2007, and expires in August 2008. Minimum rental commitments are \$55,000 for

Rockford Rescue Mission Ministries

Notes to Financial Statements

the fiscal year ended 2008. Rent expense for the year ended September 30, 2007, and the nine months ended September 30, 2006, was \$60,000 and \$45,000, 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 year ended September 30, 2007, and the nine months ended September 30, 2006.

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,

2008	\$ 16,719
2009	18,064
2010	19,518
2011	21,088
2012	22,785
Thereafter	57,348
	<hr/>
	\$ 155,522
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Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 9. Receivable from Winnebago County

In an agreement signed August 5, 2004, Winnebago County agreed to pay \$75,000 to the Mission if an adjacent street was not vacated by February 5, 2005, for the Mission to use for parking at their facility. This agreement was made so that the County could have a piece of property that the Mission owned to be used for building purposes by the County. As of September 30, 2007 and 2006, the balance due from the County was \$75,000, and is included in accounts receivable on the balance sheets.

Note 10. Supplemental Cash Flow Information

Cash paid for interest expense was \$12,678 and \$10,290 for the year ended September 30, 2007, and the nine months ended September 30, 2006, respectively.

Note 11. Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30, 2007, and 2006:

	<i>September 30, 2007</i>	<i>September 30, 2006</i>
Art for residents	\$ 89	\$ 89
Program	5,174	5,800
State of Illinois grant for computer equipment	-	4,986
County of Winnebago grant for case worker	563	12,173
Total temporarily restricted net assets	\$ 5,826	\$ 23,048

Note 12. Major Event

During the year ended September 30, 2007, the Mission purchased adjacent property in the amount of approximately \$73,000 to be used for future campus expansion.

Independent Auditors' Report on Supplemental Material

Our audits of the financial statements, included in the preceding section of this report for the year ended September 30, 2007, and the nine months ended September 30, 2006, were 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.

Farrell & Associates CPAs, LLC

Certified Public Accountants

Rockford, Illinois
December 12, 2007

Rockford Rescue Mission Ministries

Supplemental Schedules of Resale Store Expenses

	<i>Year ended</i>	<i>Nine months ended</i>
	<i>September 30, 2007</i>	<i>September 30, 2006</i>
Accounting, auditing, and legal	\$ 432	\$ 476
Advertising	407	450
Building maintenance and supplies	6,832	4,343
Building insurance	1,176	1,138
Building rental	60,000	45,000
Depreciation	7,539	5,717
Donated professional services	34	-
Education	292	387
Equipment repairs	716	806
Health insurance	24,121	22,174
Liability insurance	2,175	1,707
Office supplies and services	801	487
Other promotional activities	199	-
Payroll taxes	14,230	11,107
Postage	216	26
Purchased items for resale	60	-
Salaries and wages	212,862	152,662
Small equipment purchases	347	358
Retail supplies	1,446	2,020
Other supplies	11,467	11,932
Telephone	2,074	831
Utilities	54,368	33,658
Vehicle insurance	1,980	2,761
Vehicle operation	2,780	2,567
Workers' compensation insurance	6,302	3,466
Total resale store expenses	\$ 412,856	\$ 304,073

See accompanying independent auditors' report on supplemental material