

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning 10/1 , 2007, and ending 9/30 , 20 08

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Termination
 - Amended return
 - Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization
ROCKFORD RESCUE MISSION MINISTRIES

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

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

D Employer identification number
36 6132381

E Telephone number
(815) 965-5332

F Accounting method: Cash Accrual
 Other (specify) ▶

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

- H and I are not applicable to section 527 organizations**
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates ▶
- H(c)** Are all affiliates included? Yes No
(If "No," attach a list See instructions)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: ▶ www.rockfordrescuemission.org

J Organization type (check only one) ▶ 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. A return is not required, but if the organization chooses to file a return be sure to file a complete return

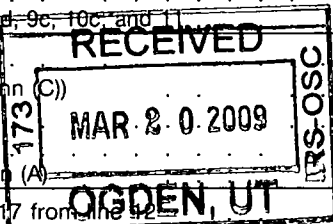
I Group Exemption Number ▶

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **3423941**

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

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

		1a		1b		1c		1d		1e		
Revenue	1 Contributions, gifts, grants, and similar amounts received:											
	a Contributions to donor advised funds											
	b Direct public support (not included on line 1a)										2648377	
	c Indirect public support (not included on line 1a)											
	d Government contributions (grants) (not included on line 1a)											
	e Total (add lines 1a through 1d) (cash \$ 2376038 noncash \$ 272339)											2648377
	2 Program service revenue including government fees and contracts (from Part VII, line 93)											530722
	3 Membership dues and assessments											
	4 Interest on savings and temporary cash investments											34315
	5 Dividends and interest from securities											
	6a Gross rents											7241
	b Less rental expenses											
c Net rental income or (loss) Subtract line 6b from line 6a											7241	
7 Other investment income (describe ▶)												
8a Gross amount from sales of assets other than inventory	(A) Securities											
	(B) Other											
	8a										602	
	8b										1614	
c Gain or (loss) (attach schedule)											-1012	
d Net gain or (loss). Combine line 8c, columns (A) and (B)											-1012	
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>												
a Gross revenue (not including \$ _____ of contributions reported on line 1b)											193596	
b Less direct expenses other than fundraising expenses											55285	
c Net income or (loss) from special events Subtract line 9b from line 9a											138311	
10a Gross sales of inventory, less returns and allowances												
b Less: cost of goods sold												
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a												
11 Other revenue (from Part VII, line 103)											8613	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11											3366567	
Expenses	13 Program services (from line 44, column (B))										2652627	
	14 Management and general (from line 44, column (C))										94683	
	15 Fundraising (from line 44, column (D))										460443	
	16 Payments to affiliates (attach schedule)											
	17 Total expenses. Add lines 16 and 44, column (A)											3207753
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12										158814	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))										5487152	
	20 Other changes in net assets or fund balances (attach explanation)											
	21 Net assets or fund balances at end of year Combine lines 18, 19, and 20											5645966



SCANNED APR 01 2009

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)	STMT 2 81844	81844		
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc listed in Part V-A	66873	33437	16718	16718
b	Compensation of former officers, directors, key employees, etc listed in Part V-B	107814	234286	-126472	
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)				
26	Salaries and wages of employees not included on lines 25a, b, and c	1171961	925587	137961	108413
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	100582	77619	13486	9477
29	Payroll taxes	86947	67120	10569	9258
30	Professional fundraising fees	163347			163347
31	Accounting fees	25245	6483	11612	7150
32	Legal fees				
33	Supplies	4850	3973	533	344
34	Telephone	11981	8362	1443	2176
35	Postage and shipping	77753	404	538	76811
36	Occupancy	115712	107805	5184	2723
37	Equipment rental and maintenance	7603	7523	61	19
38	Printing and publications				
39	Travel				
40	Conferences, conventions, and meetings				
41	Interest	11481	10104	918	459
42	Depreciation, depletion, etc (attach schedule)	166610	156767	5851	3992
43	Other expenses not covered above (itemize):				
a	STATEMENT 3	569172	493335	16281	59556
b	STATEMENT 4	437978	437978		
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)	3207753	2652627	94683	460443

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 \$ 55285; (ii) the amount allocated to Program services \$ 16400,
 (iii) the amount allocated to Management and general \$ 0; and (iv) the amount allocated to Fundraising \$ 38885

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year		
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
Assets	45 Cash—non-interest-bearing		780312	45	1042441	
	46 Savings and temporary cash investments		46795	46	49632	
	47a Accounts receivable	47a	62193			
	b Less: allowance for doubtful accounts	47b		110790	47c	62193
	48a Pledges receivable	48a				
	b Less: allowance for doubtful accounts	48b			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)	51a				
	b Less: allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use		253047	52	220759	
	53 Prepaid expenses and deferred charges		42709	53	38577	
	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	55a				
	b Less: accumulated depreciation (attach schedule)	55b			55c	
56 Investments—other (attach schedule)				56		
57a Land, buildings, and equipment: basis	57a	6580317				
b Less: accumulated depreciation (attach schedule)	57b	1961241	4534976	57c	4619076	
58 Other assets, including program-related investments (describe <input type="checkbox"/> Gift cards, deposits)		14029	58	8998		
59 Total assets (must equal line 74). Add lines 45 through 58		5782658	59	6041676		
Liabilities	60 Accounts payable and accrued expenses		134270	60	149049	
	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 <input type="checkbox"/> STATEMENT 7)		161236	65	246661	
66 Total liabilities. Add lines 60 through 65		295506	66	395710		
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		5481326	67	5634636	
	68 Temporarily restricted		5826	68	11330	
	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)		5487152	73	5645966	
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		5782658	74	6041676	

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)		
	82b STMT 8 70440		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	✓	
b	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?		
85a	501(c)(4), (5), or (6) 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 ▶ 0; section 4912 ▶ 0, section 4955 ▶ 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	✓
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
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 ▶ IL		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	57
91a	The books are in care of ▶ JAN DANAHER Telephone no ▶ (. 815) 965-5332 Located at ▶ 715 W STATE STREET, ROCKFORD, IL ZIP + 4 ▶ 61102-2203		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	✓

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					467574
b RECYCLE OF BULK CLOTHING					63148
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					34315
95 Interest on savings and temporary cash investments					
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	2100	5141
98 Net rental income or (loss) from personal property					
99 Other investment income					-1012
100 Gain or (loss) from sales of assets other than inventory					138311
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					6739
103 Other revenue: a SOFT DRINK SALES					1874
b MISC RECEIPTS					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				2100	716090
105 Total (add line 104, columns (B), (D), and (E))					718190

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 9

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

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

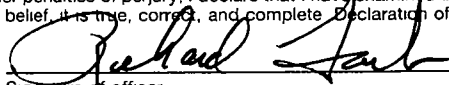
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

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:  Date: 3/16/09

Type or print name and title: _____

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

2007

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 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
REV PATRICK CLINTON 2307 JONQUIL ROCKFORD IL 61107	DIRECTOR OF MEN'S PROGRAMS & COMMUNITY OUTREACH	49650		2876
				CLERGY HOUSING
Total number of other employees paid over \$50,000 . ▶				

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
GRIZZARD 110 N MARYLAND AVE GLENDALE, CA 91206	FUNDRAISING-DIRECT MAIL	190996
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
RINGLAND-JOHNSON 1725 HUNTWOOD DR, CHERRY VALLEY, IL 61016	CONSTRUCTION	277515
Total number of other contractors receiving over \$50,000 for other services . . . ▶		1

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 1 of Part VI-B)

1 Yes No

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 Yes No

b Lending of money or other extension of credit?

2b Yes No

c Furnishing of goods, services, or facilities?

2c Yes No

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d Yes No

e Transfer of any part of its income or assets?

2e Yes No

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 Yes No

b Did the organization have a section 403(b) annuity plan for its employees?

3b Yes No

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 Yes No

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d Yes No

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a Yes No

b Did the organization make any taxable distributions under section 4966?

4b Yes No

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c Yes No

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 right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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 8 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 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	2429846	2450624	2673101	2627427	10180998
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	551355	550902	664158	823531	2589946
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	16981	4404	5958	182	27525
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	22302	19019	65139	15978	122438
23 Total of lines 15 through 22	3020484	3024949	3408356	3467118	12920907
24 Line 23 minus line 17	2469129	2474047	2744198	2643587	10330961
25 Enter 1% of line 23	30201	30249	34084	34671	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					206619
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 2003 through 2006 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts ▶					155717
c Total support for section 509(a)(1) test Enter line 24, column (e) ▶					10330961
d Add: Amounts from column (e) for lines: 18 <u>27525</u> 19 <u>0</u> 22 <u>122438</u> 26b <u>155717</u> ▶					305680
e Public support (line 26c minus line 26d total) ▶					10025281
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					97 04 %
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 (2006) (2005) (2004) (2003) 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: (2006) (2005) (2004) (2003) c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c
d Add: Line 27a total _____ and line 27b total _____ ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement.) ----- ----- -----		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4.05 of Rev Proc 75-50, 1975-2 C B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 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		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 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

Rockford Rescue Mission Ministries

Notes to Financial Statements

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

<i>Years ending September 30,</i>	
2009	\$ 25,526
2010	27,330
2011	27,134
2012	27,960
2013	28,811
Thereafter	109,856
	<hr/>
	\$ 246,617

Note 10.

Note 11. Supplemental Cash Flow Information

Cash paid for interest expense was \$11,481 and \$12,678 for the years ended September 30, 2008 and 2007 respectively.

See accompanying independent auditors' report.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 12. Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30, 2008 and 2007:

<i>September 30,</i>		<i>2008</i>		<i>2007</i>
Art for residents	\$	18	\$	89
Program		2,507		5,174
		8,805		563
Total temporarily restricted net assets	\$	11,330	\$	5,826

Note 13. 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.

FORM 990 2007-8

OTHER INCOME

STATEMENT 10

<u>DESCRIPTION</u>	<u>2006 AMOUNT</u>	<u>2005 AMOUNT</u>	<u>2004 AMOUNT</u>	<u>2003 AMOUNT</u>
RENT	9,000	7,466	10,125	6,713
SOFT DRINKS	6,596	6,568	7,204	7,102
DONATED VEHICLE SALES	0	1,600	2,230	
PRODUCT SALES	0	1,503	4,322	
RELOCATION COST REIMBURSEMENT			40,000	
MISC SCRAP MAT	0	1,420	416	675
MISC REC & REFUNDS	6,706	462	<u>842</u>	<u>1,488</u>
TOTAL TO SCHEDULE A, LINE 22	<u>22,302</u>	<u>19,019</u>	<u>65,139</u>	<u>15,978</u>

LINE EXPLANATION OF RELATIONSHIP OF ACTIVITIES

- 2A The Mission leased space for the Healing Place program from relatives of the Executive Director. The lease was renewed December 2007 and expired September 30, 2008. The rental fee for this fiscal year was \$13,750.

- 2D One relative of the Executive Director provided employment services to the Mission and was compensated \$315.

FORM 990 2007-8 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 9
ACCOMPLISHMENT OF EXEMPT PURPOSES

<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.

FORM 990 - 2007-8 PART VI - OTHER INFORMATION
DONATED PROFESSIONAL SERVICES

STATEMENT 8

LINE

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

UNRESTRICTED SUPPORT	
PROGRAM ACTIVITIES	44,722
ADMINISTRATIVE ACTIVITIES	24,125
FUNDRAISING ACTIVITIES	<u>1,593</u>
TOTAL	<u><u>70,440</u></u>

ROCKFORD RESCUE MISSION MINISTRIES
 FORM 990
 OCTOBER 2007- SEPTEMBER 2008
 36-6132381

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

(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>
Gerald Pitney 3108 Cutty Sark Road Cherry Valley, IL 61016	Director Emeritus	\$234,286	-0-	-0-
		<u>\$234,286</u>		
x Retirement				

ROCKFORD RESCUE MISSION 36-6132381
2008 Board of Directors

Page 5, Part V-A

<p>RICHARD FARB, Chairman <i>(Beth)</i> 1788 Sweetbriar Lane Rockford, IL 61107 Business Owner: Pillar to Post (H) 636-2001 (W) 636-2001 (F) 713-3516 (C) 509-5759 E-mail: pillarpost@comcast.net</p>	<p>GLENN MILLER <i>(Anita)</i> 7120 Windsor Lake Parkway Loves Park, IL 61111 Firm Owner: Glenn Miller, CPA, P.C. (H) 623-3893 (W) 282-0411 (F) 282-4711 (C) 621-0071 E-mail: glenncpafish@aol.com</p>
<p>DAVID M. KOCH, Treasurer <i>(Judith)</i> 10504 Ventura Blvd. Machesney Park, IL 61115 CPA; Business Owner: Culver Restaurants (4) (H) 636-0701 (W) 316-2307 (F) 226-8890 (C) 494-3523 E-Mail: dkoch@production-tool.com</p>	<p>MICHAEL RANGER <i>(Nancy)</i> 7307 N. Alpine Rd, Suite A Loves Park, IL 61111 Financial Advisor/Senior Partner LR Financial Services, LLC (H) 395-0596 (W) 877-4722 (F) 877-4733 (C) 703-5072 E-Mail: michael@lrfinancial.com</p>
<p>GAYLENE SEARS, Secretary <i>(Dan)</i> 5132 Minns Drive Machesney Park, IL 61115 Homemaker/Substitute Teacher (H) 636-2439 (W) 636-2439 (C) 742-4050 E-Mail: dsears0717@aol.com</p>	<p>BRYAN G. SELANDER <i>(Jan)</i> 4023 Charles Street Rockford, IL 61108 Attorney: Viking Chemical & Schlueter Ecklund (H) 282-7098 (W) 397-0500 (F) 229-0733 (C) 494-0789 E-mail: bselander@gmail.com</p>
<p>ANN DITTMAR <i>(Ed Maher)</i> 7480 Briarcliff Drive Roscoe, IL 61073 Attorney: McGreevy Williams, P.C. (H) 623-7678 (W) 639-3700 (F) 639-9400 (C) 979-8344 E-mail: adittmar@mjlwpc.com</p>	<p>T. BRUCE WATSON <i>(Mary)</i> 10295 Horseshoe Close Belvidere, IL 61008 Claims Manager: Cincinnati Insurance Company (H) 885-1122 (W) 885-4908 (F) 888-238-1583 (C) 218-0388 E-mail: bruce_watson@cinfin.com</p>
<p>LARRY JOHNSON <i>(Beth)</i> 3360 Twin Ridge Lane Rockford, IL 61109 Retired Business Owner: L/J Fabricators (H) 874-9651 (W) 397-9099 (F) 397-7858 (C) 979-6240 E-mail: ljohnson@ljfabricators.com</p>	

ROCKFORD RESCUE MISSION MINISTRIES
 FORM 990
 OCTOBER 2007 - SEPTEMBER 2008
 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 715 West State Street Rockford, IL 61102	Executive Director	\$66,873	* -0-	-0-
		<u>\$66,873</u>		

* Salary

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

Form 990 - 2007-8

BALANCE SHEET
OTHER LIABILITIES

STATEMENT 7

<u>DESCRIPTION</u>	<u>BEGINNING</u> <u>OF YEAR</u>	<u>SEPT 30, 2008</u>
FUNDS HELD FOR RESIDENTS	5,714	44
ACCRUED LONG-TERM COMPENSATION	<u>155,522</u>	<u>246,617</u>
TOTAL TO FORM 990, PART IV, LINE 65	<u>161,236</u>	<u>246,661</u>

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

FORM 990 2007-8

SPECIFIC ASSISTANCE TO INDIVIDUALS

STATEMENT 2

DESCRIPTION

AMOUNT

SUNDRY ASSISTANCE TO HOMELESS, INCLUDING MEDICAL CARE,
EDUCATION, AND RECREATION

81,844

TOTAL TO FM 990, PART II, LINE 23

81,844

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

FORM 990 2007-8OTHER EXPENSESSTATEMENT 3

<u>DESCRIPTION</u>	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C.) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING</u>
BUILDING MAINT	73,950	69,377	2,755	1,818
DONATED FOOD, CLOTHES HOUSEWARES	320,487	320,487		
EDUCATION/AWARENESS	11,733	9,936	381	1,416
INSURANCE	47,061	38,899	5,143	3,019
MISCELLANEOUS	180	167	0	13
OFFICE SUPPLIES & SERVICE	10,146	4,572	3,501	2,073
OTHER EMPLOYEE EXP	4,209		4,209	
PROMOTION, PUBLICATIONS R/E TAXES	90,272	40,583		49,689
	-1,855	-1,855		
VEHICLE OPERATIONS	8,910	7,090	292	1,528
VOLUNTEER OPERATIONS	<u>4,079</u>	<u>4,079</u>		
 TOTAL TO FM 990, LN 43	<u>569,172</u>	<u>493,335</u>	<u>16,281</u>	<u>59,556</u>

ROCKFORD RESCUE MISSION MINISTRIES

36-6132381

FORM 990 2007-8

MISSION MART THRIFT STORES

STATEMENT 4

<u>DESCRIPTION</u>	<u>(A)</u> <u>TOTAL</u>	<u>(B)</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>(C)</u> <u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>(D)</u> <u>FUNDRAISING</u>
ACCOUNTING, AUDITING & LEGAL	0	0		
ADVERTISING	2,838	2,838		
BUILDING MAINTENANCE & SUPPLIES	11,657	11,657		
BUILDING INSURANCE	756	756		
BUILDING RENTAL	60,300	60,300		
DEPRECIATION	9,292	9,292		
EDUCATION	676	676		
EQUIPMENT REPAIRS	173	173		
HEALTH, DISABILITY, & FLEX INS.	23,968	23,968		
LIABILITY & OTHER INSURANCE	2,002	2,002		
OFFICE SUPPLIES & SERVICES	495	495		
PAYROLL TAXES	14,797	14,797		
POSTAGE	18	18		
PURCHASED ITEMS FOR RESALE	0	0		
SALARIES & WAGES	222,480	222,480		
SMALL EQUIPMENT PURCHASES	3,767	3,767		
RETAIL SUPPLIES	2,545	2,545		
OTHER SUPPLIES	12,539	12,539		
TELEPHONE	1,757	1,757		
UTILITIES	56,813	56,813		
VEHICLE INSURANCE	2,171	2,171		
VEHICLE OPERATION	4,302	4,302		
MISCELLANEOUS	480	480		
WORKER'S COMPENSATION INS.	4,152	4,152		
TOTAL TO FM 990, LN 43	<u>437,978</u>	<u>437,978</u>	<u>0</u>	<u>0</u>

STATEMENT 5 36-6132381

ROCKFORD RESCUE MISSION STATEMENT OF MINISTRIES OCTOBER 2007-SEPTEMBER 2008

The Mission's Key Ministries are providing the area's primary 24-hour men's emergency shelter; inviting the needy to three meals a day; operating long-term residential life recovery programs for men and women; providing educational, job readiness training, and medical and dental services for program residents; and communicating the Gospel of Jesus Christ without government restriction. All services are free.

Spiritual Transformation through breaking destructive lifestyles by introducing people to Jesus Christ as Savior & Lord. Spiritual responses recorded were 1,658. Held nightly required chapels and the staff conducted 6,053 counseling/case management sessions in one-on-one efforts to assist people toward personal & spiritual wholeness.

Lodging averaged *one hundred thirteen* people a night for 41,091 total nights of lodging.

Meals: Food service provided meals three times each day for a total of 124,961 served.

Crisis Services: Men's Crisis served 1,118 different men; Employment secured: 158; Stable Housing secured: 248.

Life Recovery Services: Men's & Women's Life Recovery served 120 men and women. Education: 92 assessments were given, *three* received a GED & *nine* enrolled in further education/job training. Career Employment enrolled 25. Medical, Chiropractic and Dental sessions, 1,051.

Volunteer Services: Recorded hours totaled 27,175 hours during 9,373 occasions by 4,669 individuals & 624 groups.

Mission Mart Thrift Store: The community gave 8,760 donations of clothing items, household goods, etc. to meet the needs of Mission guests with the remainder being sold to raise operating funds. The retail outlet provided work readiness training for recovery residents.

Funding was received through financial gifts, in-kind donations (clothing, food & professional services) and volunteer services from individuals, churches, organizations, businesses and corporations. The operating budget was \$3.8 million.

We know love by this, that Jesus Christ laid down His life for us; and we ought to lay down our lives for the brethren. But whoever has the world's goods, and beholds his brother in need and closes his heart against him, how does the love of God abide in him?
I John 3:16, 17

Part I, Line B

Current Year Disposed Assets

Company: ROCKFORD RESCUE MISSION MINISTRIES

Method 1 - BOOK

Std Conv Applied

36-6132381

Year End: 09/30/08

File: \DGN25P51\ACCOUNTING\AKDATA\MISSION

Page. 1

Date: 01/02/09

Time 11 09 32

Asset A/C#	Description	Date Acq	Date Sold	Cost	Accum. Depr.	Net Book Value	Selling Price	Gain (Loss)
17010	1993 Hyundai Sonata	07/25/06	11/14/07	1,185.00	335.75	849.25	250.00	-664.25
				65.00 Expense of Sale				
17010	1988 F150 Pickup	11/30/05	04/07/08	1,400.00	700.00	700.00	352.00	-348.00
	* 2 Disposed assets listed.			2,650.00	1,035.75	1,549.25	602.00	-1,012.25
	* 0 Traded assets listed.			0.00	0.00	0.00		
	* 2 assets listed.			2,650.00	1,035.75	1,549.25		

* These totals include Expense of Sale!

Rockford Rescue Mission Ministries

Audited Financial Statements

For the years ended September 30, 2008 and 2007



Certified Public Accountants
Business Advisors

Farrell & Associates CPAs, LLC

Edgebrook Center
1639 North Alpine Road, Suite 100
Rockford, IL 61107

p 815 229 1900
f 815 229 1901
www.farrellcpas.com

Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Rockford Rescue Mission Ministries as of September 30, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years then ended, as well as the supplemental schedules on page 14. These financial statements are the responsibility of Rockford Rescue Mission Ministries' management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our report dated December 12, 2007, we expressed an opinion that the September 30, 2007, financial statements did not fairly present the financial position, the changes in net assets, and the cash flows in conformity with accounting principles generally accepted in the United States of America because of a material receivable not being able to be confirmed. The receivable was confirmed as of September 30, 2008, and subsequently paid in full. Accordingly, our present opinion on the September 30, 2007, financial statements, as presented herein, is different from that expressed in our previous report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rockford Rescue Mission Ministries at September 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years 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
January 8, 2009

Rockford Rescue Mission Ministries

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Statements of Cash Flows	4
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Supplemental Material	
Supplemental Schedules of Resale Store Expenses	14

Rockford Rescue Mission Ministries

Statements of Financial Position

<i>September 30,</i>	<i>2008</i>	<i>2007</i>
Assets		
Current assets		
Cash and cash equivalents (Note 1)	\$ 1,042,397	\$ 774,598
Board designated certificate of deposit	49,632	46,795
Residents' funds held in trust	44	5,714
Accounts receivable (Note 10)	57,193	85,790
Pledge receivable (Note 4)	5,000	-
Bequest receivable	-	25,000
Inventories (Notes 1 and 3)	220,759	253,047
Prepaid expenses	38,577	42,709
Total current assets	1,413,602	1,233,653
Property, plant, and equipment, less accumulated depreciation (Notes 1 and 5)	4,619,076	4,534,976
Other assets		
Gift cards	7,398	12,429
Deposits	1,600	1,600
Total other assets	8,998	14,029
Total assets	\$ 6,041,676	\$ 5,782,658

<i>September 30,</i>	<i>2008</i>	<i>2007</i>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 17,403	\$ 28,342
Accrued payroll	123,856	97,621
Residents' funds held in trust	44	5,714
Other accrued expenses	7,790	8,307
Current portion of deferred compensation (Note 9)	25,526	16,719
Total current liabilities	174,619	156,703
Deferred compensation, less current portion (Note 9)	221,091	138,803
Total liabilities	395,710	295,506
Net assets		
Unrestricted		
Board designated	49,632	46,795
Undesignated	5,585,004	5,434,531
Temporarily restricted (Note 12)	11,330	5,826
Total net assets	5,645,966	5,487,152
Total liabilities and net assets	\$ 6,041,676	\$ 5,782,658

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

Rockford Rescue Mission Ministries

Statements of Activities

Years ended September 30,

2008

2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Public support	\$ 2,535,198	\$ 34,436	\$ 2,569,634	\$ 2,515,487	\$ 18,706	\$ 2,534,193
In-kind contributions	342,779	-	342,779	303,895	-	303,895
Sales from resale shops	467,574	-	467,574	490,008	-	490,008
Sales of bulk clothing and recycled materials	63,148	-	63,148	61,347	-	61,347
Interest income	34,315	-	34,315	16,981	-	16,981
Vending	6,739	-	6,739	6,596	-	6,596
Other revenue	9,115	-	9,115	18,906	-	18,906
Loss on sale of property and equipment	(1,012)	-	(1,012)	-	-	-
Net assets released from restrictions	28,932	(28,932)	-	35,928	(35,928)	-
Total support and revenue	3,486,788	5,504	3,492,292	3,449,148	(17,222)	3,431,926
Expenses						
Program services	2,713,749	-	2,713,749	2,314,795	-	2,314,795
Supporting services						
Management and general	118,808	-	118,808	196,095	-	196,095
Fundraising	500,921	-	500,921	490,335	-	490,335
Total supporting services	619,729	-	619,729	686,430	-	686,430
Total expenses	3,333,478	-	3,333,478	3,001,225	-	3,001,225
Increase (decrease) in net assets	153,310	5,504	158,814	447,923	(17,222)	430,701
Net assets, beginning of period	5,481,326	5,826	5,487,152	5,033,403	23,048	5,056,451
Net assets, end of period	\$ 5,634,636	\$ 11,330	\$ 5,645,966	\$ 5,481,326	\$ 5,826	\$ 5,487,152

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

Rockford Rescue Mission Ministries

Statements of Cash Flows

<i>Years ended September 30,</i>	<i>2008</i>	<i>2007</i>
Cash flows from operating activities		
Change in net assets	\$ 158,814	\$ 430,701
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on disposal of property, plant, and equipment	1,012	-
Depreciation including resale shops' depreciation of \$9,292 and \$7,539, respectively	175,901	180,044
Noncash contribution of an asset	-	(9,700)
(Increase) decrease in assets:		
Accounts, pledges and bequest receivable	48,597	7,817
Inventories	32,288	(1,087)
Prepaid expenses	4,132	2,772
Other assets	5,031	(4,489)
Increase (decrease) in liabilities:		
Accounts payable	(10,939)	(44,430)
Accrued expenses and other liabilities	116,813	(12,308)
Net cash provided by operating activities	531,649	549,320
Cash flows from investing activities		
Purchases of property, plant, and equipment	(261,550)	(2,800)
Purchase of land	-	(78,079)
Net proceeds from disposal of property, plant, and equipment	537	-
Net cash used in investing activities	(261,013)	(80,879)
Cash flows from financing activities		
Funds transferred to Board designated certificate of deposit	(2,837)	(4,819)
Net cash used in financing activities	(2,837)	(4,819)
Net increase in cash and cash equivalents	267,799	463,622
Cash and cash equivalents, beginning of period	774,598	310,976
Cash and cash equivalents, end of period	\$ 1,042,397	\$ 774,598

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

Rockford Rescue Mission Ministries

Statements of Functional Expenses

Years ended September 30,

2008

	<i>Program Services</i>	<i>Management and General</i>	<i>Fund- raising</i>	<i>Total</i>
Accounting, auditing, and legal	\$ 6,483	\$ 11,612	\$ 7,150	\$ 25,245
Building maintenance and supplies	69,377	2,755	1,818	73,950
Building insurance	8,822	289	134	9,245
Client assistance, including supplies	81,844	-	-	81,844
Depreciation	156,767	5,851	3,992	166,610
Direct mail	-	-	163,347	163,347
Donated food	320,487	-	-	320,487
Donated professional services	44,247	24,125	1,593	69,965
Education	9,936	381	1,416	11,733
Employee and board activities	-	4,209	-	4,209
Equipment repairs	7,523	61	19	7,603
Health insurance	77,619	13,486	9,477	100,582
Interest	10,104	918	459	11,481
Liability insurance	10,129	2,898	839	13,866
Office supplies and services	4,572	3,501	2,073	10,146
Other promotional activities	40,583	-	49,689	90,272
Payroll taxes	67,120	10,569	9,258	86,947
Postage	404	538	76,811	77,753
Real estate taxes	(1,855)	-	-	(1,855)
Resale store expenses	438,453	-	-	438,453
Salaries and wages	959,024	154,679	125,131	1,238,834
Small equipment purchases	3,973	533	344	4,850
Special events	16,400	-	38,885	55,285
Telephone	8,362	1,443	2,176	11,981
Utilities	107,805	5,184	2,723	115,712
Vehicle insurance	5,307	221	320	5,848
Vehicle operation	7,090	292	1,528	8,910
Volunteer operations	4,079	-	-	4,079
Workers' compensation insurance	14,641	1,735	1,726	18,102
Deferred compensation expense	234,286	(126,472)	-	107,814
Miscellaneous	167	-	13	180
Total functional expenses	\$ 2,713,749	\$ 118,808	\$ 500,921	\$ 3,333,478

2007

	<i>Program Services</i>	<i>Management and General</i>	<i>Fund- raising</i>	<i>Total</i>
Accounting, auditing, and legal	\$ 3,383	\$ 9,747	\$ 362	\$ 13,492
Building maintenance and supplies	60,957	3,233	1,622	65,812
Building insurance	13,719	449	205	14,373
Client assistance, including supplies	61,266	-	-	61,266
Depreciation	161,122	6,488	4,895	172,505
Direct mail	-	-	141,311	141,311
Donated food	260,891	-	-	260,891
Donated professional services	24,129	10,830	4,700	39,659
Education	6,118	636	1,225	7,979
Employee and board activities	-	4,736	-	4,736
Equipment repairs	14,386	27	20	14,433
Health insurance	85,118	10,956	9,822	105,896
Interest	11,157	1,014	507	12,678
Liability insurance	8,306	3,356	838	12,500
Office supplies and services	6,663	2,724	2,273	11,660
Other promotional activities	27,328	-	41,158	68,486
Payroll taxes	65,545	9,218	9,450	84,213
Postage	628	672	78,925	80,225
Real estate taxes	1,080	-	-	1,080
Resale store expenses	412,856	-	-	412,856
Salaries and wages	928,442	123,754	128,274	1,180,470
Small equipment purchases	26,587	873	278	27,738
Special events	-	-	57,521	57,521
Telephone	8,578	1,521	1,449	11,548
Utilities	93,909	4,105	2,372	100,386
Vehicle insurance	9,061	151	454	9,666
Vehicle operation	6,728	321	1,399	8,448
Volunteer operations	2,164	-	-	2,164
Workers' compensation insurance	14,674	1,284	1,275	17,233
Total functional expenses	\$ 2,314,795	\$ 196,095	\$ 490,335	\$ 3,001,225

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".

Promises to Give

Unconditional contributions from individuals 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.

Unconditional contributions from companies or organizations are recognized when the pledge is made to the Mission. The same policies are followed for unrestricted and restricted contributions as above.

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 several banks which exceed the federal depository insurance limit as of September 30, 2008 and 2007.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Donated Inventory and Other Assets

Donated inventory of food, property, plant, equipment, and other assets are recognized as support at their estimated fair market values on 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 fair market value at the 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 at their estimated fair market value.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Property, Plant, 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.

Reclassifications

Certain reclassifications have been made to 2007 balances to be consistent with 2008 presentation.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 2. Related Party Transactions

One relative of the executive director provided employment services to the Mission during the years ended September 30, 2008 and 2007, in the amounts of approximately \$316 and \$22,500, respectively.

The Mission leased space for the Healing Place program from relatives of the executive director. Rental fees of \$13,750 and \$16,050 were paid for the years ended September 30, 2008 and 2007, respectively. The lease expired September 30, 2008.

Note 3. Inventories

Inventories at September 30, 2008 and 2007, consist of the following:

<i>September 30,</i>		<i>2008</i>		<i>2007</i>
Donated food and supplies	\$	26,702	\$	61,776
Donated clothing and housewares, intended for resale		190,103		187,803
Musical recordings		3,954		3,468
Total inventories	\$	220,759	\$	253,047

Note 4. Pledges Receivable

The Mission received a pledge from a local company for \$5,000 to be received in \$1,000 payments per year over the next five years, beginning in October 2008. The first payment was received subsequent to September 30, 2008.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 5. Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

<i>September 30,</i>		<i>2008</i>		<i>2007</i>
Land	\$	539,507	\$	539,507
Building and improvements		5,116,256		5,080,635
Parking lots		16,049		16,049
Kitchen equipment		105,186		105,186
Program furnishings and equipment		264,785		264,785
Vehicles		73,083		75,668
Musical instruments and sound equipment		13,675		13,675
Office equipment		91,291		91,291
Tools and equipment		39,276		31,845
Computer equipment		68,491		68,491
Store fixtures and equipment		34,220		34,220
Projects in process		218,498		-
Total property, plant, and equipment		6,580,317		6,321,352
Accumulated depreciation		(1,961,241)		(1,786,376)
Net property, plant, and equipment	\$	4,619,076	\$	4,534,976

Note 6. Line-of-Credit

At September 30, 2008 and 2007, the Mission had an unused line-of-credit for \$1,000,000 with a bank. The interest rate at September 30, 2008 and 2007, was 5.50 percent and 8.25 percent, respectively. The agreement will expire March 18, 2009. The line is secured by promises to give and property, plant, and equipment.

See accompanying independent auditors' report.

Rockford Rescue Mission Ministries

Notes to Financial Statements

Note 7. Commitments

The Mission leases rental space for its Rockford Southgate store. The lease was renewed in September 2008, and expires in August 2011. Minimum rental commitments are \$61,800 for the year ended September 30, 2009, \$61,800 for the year ended September 30, 2010, and \$56,650 for the year ended September 30, 2011. Rent expense for the years ended September 30, 2008 and 2007, was \$60,300 and \$60,000, respectively.

Note 8. 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 years ended September 30, 2008 and 2007.

Note 9. Deferred Compensation

Deferred compensation represents the present value of compensation granted to a former employee during 2008 for prior service. Such compensation represents payments of \$32,500 annually for the life of the employee. The present value is determined at an annual rate of 3.00 percent using published life expectancy tables.

Previously, deferred compensation represented the present value of compensation granted to a former employee in 1998 for prior service up until her death in 2008. Such compensation represented payments of \$28,200 annually for the life of the employee. The present value was determined at an annual rate of 7.75 percent using published life expectancy tables.

Rockford Rescue Mission Ministries

Supplemental Schedules of Resale Store Expenses

<i>Years ended September 30,</i>	<i>2008</i>	<i>2007</i>
Accounting, auditing, and legal	\$ -	\$ 432
Advertising	2,838	407
Building maintenance and supplies	11,657	6,832
Building insurance	756	1,176
Building rental	60,300	60,000
Depreciation	9,292	7,539
Donated professional services	475	34
Education	676	292
Equipment repairs	173	716
Health insurance	23,968	24,121
Liability insurance	2,002	2,175
Office supplies and services	495	801
Other promotional activities	-	199
Payroll taxes	14,797	14,230
Postage	18	216
Purchased items for resale	-	60
Salaries and wages	222,480	212,862
Small equipment purchases	3,767	347
Retail supplies	2,545	1,446
Other supplies	12,539	11,467
Telephone	1,757	2,074
Utilities	56,813	54,368
Vehicle insurance	2,171	1,980
Vehicle operation	4,302	2,780
Workers' compensation insurance	4,152	6,302
Miscellaneous	480	-
Total resale store expenses	\$ 438,453	\$ 412,856

See accompanying independent auditors' report.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization ROCKFORD RESCUE MISSION MINISTRIES	Employer identification number 36 6132381
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 1958	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions ROCKFORD, IL 61110-0458	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ **JAN DANAHER**

Telephone No. ▶ (**815**) **965-5332** FAX No. ▶ (**815**) **965-0033**

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **MAY 15**, 20**09**, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

▶ calendar year 20____ or

▶ tax year beginning **OCTOBER 1**, 20**07**, and ending **SEPTEMBER 30**, 20**08**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.