

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.

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning **OCT 1, 2006** and ending **SEP 30, 2007**

B Check if applicable:

- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
RURAL OPPORTUNITIES, INC.
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
400 EAST AVENUE
City or town, state or country, and ZIP + 4
ROCHESTER, NY 14607

D Employer identification number
16-0984913
E Telephone number
585) 546-7180
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 **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.RURALINC.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 **9113**
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **22,805,067.**

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

		1a		1b		1c		1d		1e	
1 Contributions, gifts, grants, and similar amounts received:											
a Contributions to donor advised funds											
b Direct public support (not included on line 1a)				184,151.							
c Indirect public support (not included on line 1a)				29,102.							
d Government contributions (grants) (not included on line 1a)											
e Total (add lines 1a through 1d) (cash \$ 185,689. noncash \$ 27,564.)										213,253.	
2 Program service revenue including government fees and contracts (from Part VII, line 93)										22,104,300.	
3 Membership dues and assessments											
4 Interest on savings and temporary cash investments										19,440.	
5 Dividends and interest from securities											
6 a Gross rents		6a		332,043.							
b Less: rental expenses		6b									
c Net rental income or (loss). Subtract line 6b from line 6a										332,043.	
7 Other investment income (describe _____)											
8 a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other							
b Less: cost or other basis and sales expenses		8a		8b							
c Gain or (loss) (attach schedule)		8c									
d Net gain or (loss). Combine line 8c, columns (A) and (B)										8d	
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)		9a									
b Less: direct expenses other than fundraising expenses		9b									
c Net income or (loss) from special events. Subtract line 9b from line 9a										9c	
10 a Gross sales of inventory, less returns and allowances		10a									
b Less: cost of goods sold		10b									
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a										10c	
11 Other revenue (from Part VII, line 103)										136,031.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11										22,805,067.	
13 Program services (from line 44, column (B))										18,994,391.	
14 Management and general (from line 44, column (C))										3,341,397.	
15 Fundraising (from line 44, column (D))										141,790.	
16 Payments to affiliates (attach schedule)											
17 Total expenses. Add lines 16 and 44, column (A)										22,477,578.	
18 Excess or (deficit) for the year. Subtract line 17 from line 12										327,489.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))										8,539,448.	
20 Other changes in net assets or fund balances (attach explanation)										865,015.	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20										9,731,952.	

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	1,136,205.	984,299.	146,117.	5,789.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
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	8,941,641.	7,746,155.	1,149,836.	45,650.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27				
29 Payroll taxes	5,094,448.	4,413,320.	655,146.	25,982.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees	22,664.	13,513.	8,927.	224.
33 Supplies	558,980.	493,768.	59,647.	5,565.
34 Telephone	371,916.	329,835.	42,055.	26.
35 Postage and shipping				
36 Occupancy	2,201,819.	1,988,836.	208,153.	4,830.
37 Equipment rental and maintenance	447,423.	394,884.	46,533.	6,006.
38 Printing and publications	274,935.	149,495.	111,967.	13,473.
39 Travel	901,890.	796,361.	103,092.	2,437.
40 Conferences, conventions, and meetings	171,069.	69,607.	101,462.	
41 Interest	81,736.	12,666.	69,070.	
42 Depreciation, depletion, etc. (attach schedule)	123,228.	15,400.	107,828.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g See Statement 4	2,149,624.	1,586,252.	531,564.	31,808.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	22,477,578.	18,994,391.	3,341,397.	141,790.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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

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

What is the organization's primary exempt purpose? ► See Statement 5	
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a EMPLOYMENT AND TRAINING: VOCATION/EDUCATIONAL TRAINING AND PLACEMENT OF MIGRANT & SEASONAL FARMWORKERS INCLUDING; ON-THE-JOB TRAINING, CLASSROOM TRAINING AND WORK EXPERIENCE.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,788,170.
b CHILD DEVELOPMENT: PROVIDE EARLY CHILDHOOD EDUCATION FOR CHILDREN OF MIGRANT WORKERS IN RURAL AREAS OF NEW JERSEY AND PENNSYLVANIA.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,870,561.
c HOUSING: DEVELOPING HOUSING FOR FARMWORKERS, SENIOR CITIZENS AND LOW INCOME FAMILIES. PROVIDE TECHNICAL ASSISTANCE FOR OTHER FARM LABORER HOUSING PROJECTS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	4,933,163.
d HEALTH AND SAFETY: THESE PROGRAMS ARE DESIGNED TO INCREASE THE PARTICIPANT'S CAPACITY TO MAKE HEALTHY LIFESTYLE CHOICES BY PROVIDING INFORMATION, TRAINING AND THE PRACTICAL SUPPORT NEEDED TO MAKE THESE CHOICES.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,023,538.
e Other program services (attach schedule) See Statement 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	5,378,959.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	18,994,391.

Form 990 (2006)

Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	162,239.	45	
	46 Savings and temporary cash investments	1,162,304.	46	1,118,263.
	47 a Accounts receivable	47a 266,423.		
	b Less: allowance for doubtful accounts	47b	191,311.	47c 266,423.
	48 a Pledges receivable	48a		48c
	b Less: allowance for doubtful accounts	48b		
	49 Grants receivable	2,276,879.	49	2,391,162.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a 7,548,228.		
	b Less: allowance for doubtful accounts Stmt 7	51b	6,191,943.	51c 7,548,228.
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments - other securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
55 a Investments - land, buildings, and equipment: basis	55a			
b Less: accumulated depreciation	55b		55c	
56 Investments - other	See Statement 8	1,173,836.	56	1,248,836.
57 a Land, buildings, and equipment: basis	57a 5,407,968.			
b Less: accumulated depreciation	57b 3,049,090.	1,995,650.	57c	2,358,878.
58 Other assets, including program-related investments (describe Other Assets, Net)		134,893.	58	125,815.
59 Total assets (must equal line 74). Add lines 45 through 58		13,289,055.	59	15,057,605.
Liabilities	60 Accounts payable and accrued expenses	2,935,296.	60	2,613,537.
	61 Grants payable		61	
	62 Deferred revenue	551,684.	62	551,825.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable Stmt 9 Stmt 10	1,262,627.	64b	1,422,658.
	65 Other liabilities (describe Bank Overdraft)		65	737,633.
66 Total liabilities. Add lines 60 through 65		4,749,607.	66	5,325,653.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	781,045.	67	866,457.
	68 Temporarily restricted		68	
	69 Permanently restricted	7,758,403.	69	8,865,495.
	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)		8,539,448.	73	9,731,952.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		13,289,055.	74	15,057,605.

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

a	Total revenue, gains, and other support per audited financial statements	a	23,705,462.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	67,597.
2	Donated services and use of facilities	b2	832,798.
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	900,395.
c	Subtract line b from line a	c	22,805,067.
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	22,805,067.

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

a	Total expenses and losses per audited financial statements	a	23,310,375.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	832,798.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	832,798.
c	Subtract line b from line a	c	22,477,577.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify): Rounding	d2	1.
	Add lines d1 and d2	d	1.
e	Total expenses (Part I, line 17). Add lines c and d	e	22,477,578.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Stuart Mitchell 400 East Avenue Rochester, NY 14607	Executive Director 40.00	138,655.	41,181.	0.
Willard Beaulac 400 East Avenue Rochester, NY 14607	Program Director 40.00	115,405.	34,275.	0.
Kevin Ryck 400 East Avenue Rochester, NY 14607	Finance Director 40.00	129,670.	38,512.	0.
Susan Ottenweller 400 East Avenue Rochester, NY 14607	Program Director 40.00	100,694.	29,906.	0.
Jeffery Lewis 400 East Avenue Rochester, NY 14607	Program Director 40.00	105,864.	31,442.	0.
Velma Hullum 400 East Avenue Rochester, NY 14607	Sr. Executive Director 40.00	94,855.	28,172.	0.
Michael Urrutia 400 East Avenue Rochester, NY 14607	Sr. Executive Director 40.00	92,759.	27,549.	0.
Kay Washington 400 East Avenue Rochester, NY 14607	Sr. Executive Director 40.00	98,123.	29,143.	0.

Part VI Other Information (continued)

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82a X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 832,798.
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? 83a X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 83b X
84 a Did the organization solicit any contributions or gifts that were not tax deductible? 84a X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 84b N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
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 N/A
d Section 162(e) lobbying and political expenditures 85d N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A
b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A
88 a 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 X
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 X
89 a 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) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X
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 X
90 a List the states with which a copy of this return is filed NY
b Number of employees employed in the pay period that includes March 12, 2006 90b 394
91 a The books are in care of KEVIN RYCK Telephone no. 585-340-3364
Located at 400 EAST AVENUE, ROCHESTER, NY ZIP + 4 14607
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 X
If "Yes," enter the name of the foreign country N/A
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

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c

If "Yes," enter the name of the foreign country N/A

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

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a VARIOUS PRGM RELTD REV.					22,104,300.
b					
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			14	19,440.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property			30	332,043.	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a Sales of Property			01	110,576.	
b Consultant Fees			01	25,455.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		487,514.	22,104,300.
105 Total (add line 104, columns (B), (D), and (E))					22,591,814.

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).
93A	OTHER INCOME DERIVED FROM THE ORGANIZATION'S PROGRAM OPERATIONS.

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). N/A

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)	(B)	(C)	(D)		
Name, address, of each controlled entity	Employer Identification Number	Description of transfer	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)	(B)	(C)	(D)		
Name, address, of each controlled entity	Employer Identification Number	Description of transfer	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?

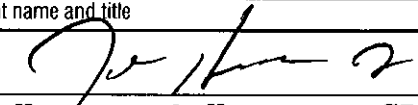
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature:  Date: 7.1.08

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. X) _____

Firm's name (or yours if self-employed), address, and ZIP + 4: Heveron & Heveron, CPAs, P.C., 260 Plymouth Avenue South, Rochester, New York 14608

EIN: _____

Phone no.: 585-232-2956

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

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 RURAL OPPORTUNITIES, INC.	Employer identification number 16 0984913
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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
<u>Nita D'Agostino</u> 400 East Avenue, Rochester, NY 14607	Employee 40.00	84,543.	25,109.	
<u>Jane Nutter</u> 400 East Avenue, Rochester, NY 14607	Deputy 40.00	81,574.	24,227.	
<u>Kathryn Bryan</u> 400 East Avenue, Rochester, NY 14607	Sr. Vice President 40.00	80,615.	23,943.	
<u>Dana Brunett</u> 400 East Avenue, Rochester, NY 14607	Employee 40.00	75,316.	22,369.	
<u>Keith Scholes</u> 400 East Avenue, Rochester, NY 14607	Employee 40.00	72,533.	21,542.	
Total number of other employees paid over \$50,000 ▶	41			

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
<u>PASSERO ASSOCIATES</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	ARCHITECT	403,804.
<u>INFO ADVANTAGE</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	COMPUTER CONTRACTORS	108,390.
<u>LISCUM, MCCORMICK, VANVOORHIS</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	ARCHITECT	65,969.
<u>GILBERTO REYES LUGO</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	ENGINEERING	58,275.
<u>MCCONNELL VALDES</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	LEGAL	57,799.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>DIMARCO CONSTRUCTORS</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	BUILDERS	2351569.
<u>AFFORDABLE HOUSING CONCEPTS</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	BUILDERS	593,662.
<u>CORNERSTONE CONTRACTING</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	CONTRACTOR	347,958.
<u>CARE RESTORATION</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	CONTRACTOR	203,979.
<u>GENESEE COUNTRY RESIDENTIAL SERVICES</u> C/O THE ORGANIZATION, ROCHESTER, NEW YORK 14607	CONTRACTOR	134,403.
Total number of other contractors receiving over \$50,000 for other services ▶	2	

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 ▶ \$ <u>13,926.</u> \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-A, line 38a 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.	1	X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V-A, Form 990	2d	X
e	Transfer of any part of its income or assets?	2e	X
3	a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a	X
	b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
	c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
	d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4	a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
	b Did the organization make any taxable distributions under section 4966?	4b	N/A
	c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
	d Enter the total number of donor advised funds owned at the end of the tax year	N/A	
	e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	N/A	
	f Enter the total number of separate funds or accounts owned at the end of the 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 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 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.)	330,510.	45,678.	75,409.	425,478.	877,075.
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	21,150,123.	23,126,507.	22,031,000.	21,374,191.	87,681,821.
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	376,250.	475,495.	390,369.	388,536.	1,630,650.
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	79,921.		See Statement 12		79,921.
23 Total of lines 15 through 22	21,936,804.	23,647,680.	22,496,778.	22,188,205.	90,269,467.
24 Line 23 minus line 17	786,681.	521,173.	465,778.	814,014.	2,587,646.
25 Enter 1% of line 23	219,368.	236,477.	224,968.	221,882.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 51,753.
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 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 2,587,646.
d Add: Amounts from column (e) for lines: 18 1,630,650. 19 _____ 22 79,921. 26b _____					26d 1,710,571.
e Public support (line 26c minus line 26d total)					26e 877,075.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 33.8947%
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: N/A (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: N/A (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 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.

None

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

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)	0.	0.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	13,926.	0.
38 Total lobbying expenditures (add lines 36 and 37)	13,926.	0.
39 Other exempt purpose expenditures	22,483,930.	0.
40 Total exempt purpose expenditures (add lines 38 and 39)	22,497,856.	0.
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	
42 Grassroots nontaxable amount (enter 25% of line 41)	250,000.	0.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	0.	0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	0.	0.

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	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46 Lobbying ceiling amount (150% of line 45(e))					6,000,000.
47 Total lobbying expenditures	13,926.	7,719.	9,185.	8,916.	39,746.
48 Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
49 Grassroots ceiling amount (150% of line 48(e))					1,500,000.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	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.)			0.

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

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization

Employer identification number

RURAL OPPORTUNITIES, INC.

16-0984913

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)(3) (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)**General Rule-** For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)**Special Rules-** For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization

Employer identification number

RURAL OPPORTUNITIES, INC.

16-0984913

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Casey Foundation 1030 15th Street Washington, DC, 20005	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Fannie Mae Rochester, NY	\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Footnotes

Statement 1

Statement: Form 990, Part IV - 3

Building Equipment	Beginning of Year	146,390.
	Additions/Transfers	
	Disposals	
	Building Equipment	End of Year
		146,390.
Furniture - Office	Beginning of Year	239,225.
	Additions	
	Disposals/Transfers	
	Furniture - Office	End of Year
		239,225.
Capital Office Equipment	Beginning of Year	1,994,900.
	Additions	22,300.
	Disposals	
	Capital Office Equipment	End of Year
		2,017,200.
Construction in Progress	Beginning of Year	801,223.
	Purchases	1,403,299.
	Disposals	-943,474.
	Construction in Progress	End of Year
		1,261,048.
Building and Building Improvements	Beginning of Year	1,677,100.
	Additions	
	Disposals	
	Building and Building Improvements	End of Year
		1,677,100.
Deposits	Beginning of Year	18,777.
	Purchases	3,116.
	Disposals	
	Deposits	End of Year
		21,893.
Land	Beginning of Year	24,380.
	Purchases	

Disposals / Retirements

Land - End of Year

24,380.

Vehicles Beginning of Year

Additions

Disposals / Transfers

20,732.

Vehicles End of Year

20,732.

Statement: Form 990, Part IV - 4

Accumulated Depreciation Beginning of Year

Additions

Disposals / Transfers

2,927,108.

121,982.

Accumulated Depreciation End of Year

3,049,090.

Statement: Form 990: Part I - Net Assets

Consistent with contract terms, those equipment purchases have been treated as current period expenditures. In accordance with generally accepted accounting principles, these items have been treated as fixed assets and therefore have been capitalized and subject to depreciation.

Form 990	Rental Income	Statement	2
Kind and Location of Property	Activity Number	Gross Rental Income	
RENTING OFFICE SPACE TO AFFILIATES	1	332,043.	
Total to Form 990, Part I, line 6a		332,043.	

Form 990	Other Changes in Net Assets or Fund Balances	Statement	3
Description		Amount	
TRANSFERS FROM RELATED ENTITIES		797,418.	
UNREALIZED INTEREST INCOME		67,597.	
Total to Form 990, Part I, line 20		865,015.	

Form 990	Other Expenses				Statement	4
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising		
PROFESSIONAL FEES	658,693.	392,721.	259,446.	6,526.		
INSURANCE	254,134.	106,970.	147,164.			
PROPERTY MANAGEMENT	68,600.	1,144.	67,456.			
DELEGATE AGENCIES	20,000.	20,000.				
CLIENT ASSISTANCE ALLOCATED	1,525,645.	1,520,745.	4,900.			
ADMINISTRATIVE FRINGE AND LEAVE	-1,317,726.	-1,317,726.				
MISCELLANEOUS EXPENSE	15,483.	7,431.	8,052.			
PROPERTY TAXES	11,438.	7,490.	3,948.			
STAFF DEVELOPMENT	398,229.	333,403.	39,598.	25,228.		
TRAINING	515,128.	514,074.	1,000.	54.		
Total to Fm 990, ln 43	2,149,624.	1,586,252.	531,564.	31,808.		

Form 990 Statement of Organization's Primary Exempt Purpose Statement 5
Part III

Explanation

EMPLOYMENT EDUCATION, TRAINING, CHILDHOOD EDUCATION, HOUSING AND HEALTH AND NUTRITION FOR MIGRANT WORKERS, LOW INCOME FAMILIES AND SENIORS.

Form 990 Other Program Services Statement 6

Description of Other Program Services	Grants and Allocations	Expenses
OTHER SERVICES INCLUDING: PUBLIC POLICY, ECONOMIC DEVELOPMENT, EMERGENCY AND SUPPORT SERVICES, AND YOUTH AND ADULT EDUCATION.	0.	5,378,959.
Total to Form 990, Part III, line e		5,378,959.

Form 990 Other Notes and Loans Receivable Statement 7

Description	Doubtful Acct Allowance	Balance Due
VARIOUS LIMITED PARTNERSHIPS	0.	1,516,549.
VARIOUS LIMITED PARTNERSHIPS	0.	886,832.
VARIOUS BORROWERS	0.	3,713,087.
VARIOUS BORROWERS	0.	1,431,760.
Totals included on Form 990, Part IV, line 51	0.	7,548,228.

Form 990 Other Investments Statement 8

Description	Valuation Method	Amount
Investment in Subsidiary	Cost	1,248,836.
Total to Form 990, Part IV, line 56, Column B		1,248,836.

Form 990	Mortgages Payable	Statement 9
<u>Description</u>		<u>Balance Due</u>
Bank of America		115,778.
Bank of America		139,003.
Total included on Form 990, Part IV, line 64b, Column B		254,781.

Form 990

Other Notes and Loans Payable

Statement 10

<u>Lender's Name</u>	<u>Terms of Repayment</u>
----------------------	---------------------------

HUD PREDEVELOPMENT

VARIOUS

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Interest Rate</u>
02/04/00	Various	27,437.	2.00%

<u>Security Provided by Borrower</u>	<u>Purpose of Loan</u>
--------------------------------------	------------------------

LIEN ON RELATED ASSETS

FIXED ASSETS

<u>Relationship of Lender</u>

NONE

<u>Description of Consideration</u>	<u>FMV of Consideration</u>	<u>Balance Due</u>
RELATED ASSETS	0.	27,437.

<u>Lender's Name</u>	<u>Terms of Repayment</u>
----------------------	---------------------------

RELATED PARTY

VARIOUS

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Interest Rate</u>
Various	Various	40,000.	.00%

<u>Security Provided by Borrower</u>	<u>Purpose of Loan</u>
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NONE

REAL ESTATE DEVELOPMENT

<u>Relationship of Lender</u>

NONE

<u>Description of Consideration</u>	<u>FMV of Consideration</u>	<u>Balance Due</u>
REAL PROPERTY ON PRINCE STREET	0.	198,406.

HIGHLAND MEADOWS HDFC	X	
RURAL HOUSING OPPORTUNITIES DEVELOPMENT CORP.		X
RHOC CROSSMAN, INC.		X
BEECHWOOD ASSOCIATES, LP		X
ALLIANCE HOMES II CORP.		X
LANDER III HDFC	X	
CREATING HOPE FOR HOUSING OPPORTUNITIES	X	
SALEM SENIOR HOUSING CORP		X
SALEM SENIOR HOUSING LLC.		X
RURAL OPPORTUNITIES FOR SENIORS	X	
RURAL OPPORTUNITIES MANAGEMENT SERVICES	X	

Schedule A Description	Other Income			Statement 12
	2005 Amount	2004 Amount	2003 Amount	2002 Amount
Miscellaneous	79,921.	0.	0.	0.
Total to Schedule A, line 22	79,921.	0.	0.	0.