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**Short Form
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)**

2007

► Sponsoring organizations, and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year may use this form.

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

**Open to Public
Inspection**

A For the 2007 calendar year, or tax year beginning

10-01, 2007, and ending

09-30, 2008

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

MINISTRIES OF DIVINE MERCY INC

Number and street (or P O box, if mail is not delivered to street address)

Room/suite

PO Box 164660

City or town, state or country, and ZIP + 4

Little Rock

AR 72216

D Employer identification number

81-0584458

E Telephone number

(501) 374-8477

F Group Exemption

Number . . .

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

G Accounting method. Cash Accrual
Other (specify) ►

I Website: ►J **Organization type** (check only one) - 501(c) (3) (insert no.) 4947(a)(1) or 527

H Check ► if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

K Check ► if the organization is not a section 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.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ. ►\$ 91,542

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 55 of the instructions)

| | | | |
|-----------------------|---|----|---------|
| Revenue | 1 Contributions, gifts, grants, and similar amounts received | 1 | 91,542 |
| | 2 Program service revenue including government fees and contracts | 2 | |
| Expenses | 3 Membership dues and assessments | 3 | |
| | 4 Investment income | 4 | |
| Assets | 5a Gross amount from sale of assets other than inventory | 5a | |
| | b Less: cost or other basis and sales expenses | 5b | |
| Net Assets | c Gain or (loss) from sale of assets other than inventory. Subtract line 5b from line 5a (attach schedule) | 5c | |
| | 6 Special events and activities (attach schedule). If any amount is from gaming, check here ► <input type="checkbox"/> | 6c | |
| Expenditures | a Gross revenue (not including \$ _____ of contributions reported on line 1) | 6a | |
| | b Less direct expenses other than fundraising expenses | 6b | |
| Changes in Net Assets | c Net income or (loss) from special events and activities. Subtract line 6b from line 6a | 7c | |
| | 7a Gross sales of inventory, less returns and allowances | 7a | |
| Net Assets | b Less: cost of goods sold | 7b | |
| | c Gross profit or (loss) from sales of inventory. Subtract line 7b from line 7a | 7c | |
| Net Assets | 8 Other revenue (describe) ►) | 8 | |
| | 9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 | 9 | 91,542 |
| Expenses | 10 Grants and similar amounts paid (attach schedule) | 10 | 44,717 |
| | 11 Benefits paid to or for members | 11 | |
| Net Assets | 12 Salaries, other compensation, and employee benefits | 12 | 24,327 |
| | 13 Professional fees and other payments to independent contractors | 13 | 2,459 |
| Net Assets | 14 Occupancy, rent, utilities, and maintenance | 14 | |
| | 15 Printing, publications, postage, and shipping | 15 | |
| Net Assets | 16 Other expenses (describe) ► STM130 | 16 | 24,656 |
| | 17 Total expenses. Add lines 10 through 16 | 17 | 96,159 |
| Net Assets | 18 Excess or (deficit) for the year. Subtract line 17 from line 9 | 18 | (4,617) |
| | 19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) | 19 | 5,739 |
| Net Assets | 20 Other changes in net assets or fund balances (attach explanation) | 20 | |
| | 21 Net assets or fund balances at end of year. Combine lines 18 through 20 | 21 | 1,122 |

Part II Balance Sheets - If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ

(See page 60 of the instructions)

| | (A) Beginning of year | (B) End of year |
|--|-----------------------|-----------------|
| 22 Cash, savings, and investments | 5,974 | 22 12,019 |
| 23 Land and buildings | | 23 |
| 24 Other assets (describe) ► STM131) | | 24 |
| 25 Total assets | 5,974 | 25 12,019 |
| 26 Total liabilities (describe) ► STM132) | 235 | 26 10,897 |
| 27 Net assets or fund balances (line 27 of column (B) must agree with line 21) | 5,739 | 27 1,122 |

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

EEA

Form 990-EZ (2007)

611-13

| Part III Statement of Program Service Accomplishments (See page 60 of the instructions) | | | | | Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, optional for others) |
|--|--|--|---|---|---|
| What is the organization's primary exempt purpose? <u>HELP HONDURAS PEOPLE SERVE GOD</u> | | | | | |
| Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title. | | | | | |
| 28 | ESTABLISH & MAINTAIN A "STUDENT SPONSORSHIP PROGRAM" <u>THAT SERVES 100+ STUDENTS ENROLLED IN PUBLIC SCHOOLS</u> | | | | |
| (Grants \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | | | | | 28a 12,180 |
| 29 | ESTABLISH & MAINTAIN A COMMUNITY AFTER SCHOOL PROGRAM <u>THAT SERVES 150+ CHILDREN</u> | | | | |
| (Grants \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | | | | | 29a 10,864 |
| 30 | ASSIST IN PURCHASE OF LAND & BUILDING, ETC TO SERVE 16 VILLAGES WITH OUTREACH & ASSISTANCE SUPPORT | | | | |
| (Grants \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | | | | | 30a 21,673 |
| 31 | Other program services (attach schedule) | | | | |
| (Grants \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | | | | | 31a |
| 32 | Total program service expenses. Add lines 28a through 31a ► | | | | 32 44,717 |
| Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated See page 61 of 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 | (E) Expense account and other allowances |
| JIM PHILLIPS | | EXEC DIR | 0 | 0 | 0 |
| LITTLE ROC AR | | 0 | 0 | 0 | 0 |
| DON BEHR DIR | | 0 | 0 | 0 | 0 |
| BENTON AR | | 0 | 0 | 0 | 0 |
| DENISE SHEWMAKE DIR | | 0 | 0 | 0 | 0 |
| LITTLE ROC AR | | 0 | 0 | 0 | 0 |
| JOHN TURNER DIR | | 0 | 0 | 0 | 0 |
| LITTLE ROC AR | | 0 | 0 | 0 | 0 |
| Part V Other Information (Note the statement requirement in General Instruction V.) | | | | | |
| 33 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change | | | | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 34 Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes | | | | | 33 <input checked="" type="checkbox"/> 34 <input checked="" type="checkbox"/> |
| 35 If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T | | | | | |
| a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements? | | | | | 35a <input checked="" type="checkbox"/> |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | | | | | 35b |
| 36 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | | | | | 36 <input checked="" type="checkbox"/> |
| 37 a Enter amount of political expenditures, direct or indirect, as described in the instructions ► 37a | | | | | 37b |
| b Did the organization file Form 1120-POL for this year? | | | | | 38a <input checked="" type="checkbox"/> |
| 38 a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return? | | | | | |
| b If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved | | | | | 38b |
| 39 501(c)(7) organizations. Enter: | | | | | |
| a Initiation fees and capital contributions included on line 9 | | | | | 39a |
| b Gross receipts, included on line 9, for public use of club facilities | | | | | 39b |

Part V Other Information (Note the statement requirement in General Instruction V.) (Continued)

40 a 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under:

section 4911 ► _____ ; section 4912 ► _____ ; section 4955 ► _____

b 501(c)(3) and (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 an explanation

c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ► _____

d Enter amount of tax on line 40c 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?

41 List the states with which a copy of this return is filed ► _____

42 a The books are in care of ► % JIM PHILLIPS Telephone no. ► 501-765-8477
Located at ► LITTLE ROCK AR ZIP + 4 ► _____

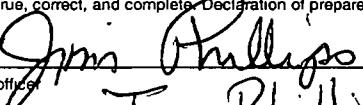
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

If "Yes," enter the name of the foreign country: ► _____

See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**.c At any time during the calendar year, did the organization maintain an office outside of the U S ?
If "Yes," enter the name of the foreign country: ► HONDURAS43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041**-Check here ► 43 and enter the amount of tax-exempt interest received or accrued during the tax year

| | Yes | No |
|------------|-----|----|
| 40b | | |
| 40e | | |

| | Yes | No |
|------------|-----|----|
| 42b | | X |
| 42c | X | |

| | | | |
|-------------------------|--|------|----------------|
| Please Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge | | |
| |  | Date | <u>12/3/09</u> |
| | Signature of officer | | |
| |  <u>Jim Phillips Ex Director</u> | | |
| | Type or print name and title | | |

| | | | | | |
|---------------------------------|---|---|------|---|---|
| Paid Preparer's Use Only | Preparer's signature |  | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN (See Gen. Inst. X) |
| | Firm's name (or yours if self-employed), address, and ZIP + 4 | <u>Financial Express</u> <u>320 Executive Ct Ste 103</u> <u>Little Rock</u> | | EIN ► | |
| | | | | Phone no ► | |

EEA

Form 990-EZ (2007)

2007

**Department of the Treasury
Internal Revenue Service**

Name of the organization

MINISTRIES OF DIVINE MERCY INC

Employer identification number

81-0584458

Supplementary Information -- (See separate instructions.)

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one if there are none, enter "None.")

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| NONE | | 0 | 0 | 0 |
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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")

Total number of others receiving over \$50,000 for professional services

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

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

Total number of other contractors receiving over
\$50,000 for other services

| Part III Statements About Activities (See page 2 of the instructions) | | Yes | No |
|--|--|------------|-----------|
| 1 | During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ►\$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) | 1 | |
| Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities | | | |
| 2 | During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions) | | |
| a | Sale, exchange, or leasing of property? | 2a | |
| b | Lending of money or other extension of credit? | 2b | |
| c | Furnishing of goods, services, or facilities? | 2c | |
| d | Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? | 2d | |
| e | Transfer of any part of its income or assets? | 2e | |
| 3a | 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 | |
| b | Did the organization have a section 403(b) annuity plan for its employees? | 3b | |
| 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 | |
| d | Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? | 3d | |
| 4a | Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g | 4a | |
| b | Did the organization make any taxable distributions under section 4966? | 4b | |
| c | Did the organization make a distribution to a donor, donor advisor, or related person? | 4c | |
| d | Enter the total number of donor advised funds owned at the end of the tax year ► _____ | | |
| e | Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____ | | |
| f | Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____ | | |
| g | Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____ | | |

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)

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.) . . . | 75,470 | 58,953 | 40,039 | 77,500 | 251,962 |
| 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 | | | | | |
| 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 | | | | | |
| 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 | | | | | |
| 23 Total of lines 15 through 22 | | | | | 251,962 |
| 24 Line 23 minus line 17 | | | | | 251,962 |
| 25 Enter 1% of line 23 | | | | | 2519.62 |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ► | | | | 26a | 5039.24 0 |
| 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 . . . ► | | | | 26b | 0 |
| c Total support for section 509(a)(1) test Enter line 24, column (e) ► | | | | 26c | 251,962 |
| d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____ ► | | | | 26d | 0 |
| e Public support (line 26c minus line 26d total) | | | | 26e | 251,962 |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ► | | | | 26f | 100 % |
| 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 | 0 | | 27g | % |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ► | | | | 27h | % |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ► | | | | | |
| 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? | 29 | |
| 30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | 30 | |
| 31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement.) _____ _____ _____ | 31 | |
| 32 Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff? 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? | 32a | |
| | 32b | |
| | 32c | |
| | 32d | |
| If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ | | |
| 33 Does the organization discriminate by race in any way with respect to a Students' rights or privileges? 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? | 33a | |
| | 33b | |
| | 33c | |
| | 33d | |
| | 33e | |
| | 33f | |
| | 33g | |
| | 33h | |
| If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ | | |
| 34a Does the organization receive any financial aid or assistance from a governmental agency? 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. | 34a | |
| | 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 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

(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 | |
| 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 | 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) 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:

attempt to influence public opinion on a legislative matter. If relevant, through the use of:

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines **c** through **h**.)

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 14 of the instructions.)

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

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

(i) Cash
 (ii) Other assets

• Other transactions

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

6 Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

b If "Yes," complete the following schedule

Federal Supporting Statements

2007 PG 01

FFIN

81-0584458

Name(s) as shown on return

MINISTRIES OF DIVINE MERCY INC

FORM 990EZ, PART I, LINE 10
GRANTS AND SIMILAR AMOUNTS PAID SCHEDULE

Statement #122

FORM 990EZ, PART I, LINE 16
OTHER EXPENSES SCHEDULE 2

PG 01

Statement #130

| <u>Description</u> | <u>Amount</u> |
|--------------------|---------------|
| Travel | 8,997 |
| Supplies | 9,672 |
| Taxes | 635 |
| Security | 3,119 |
| Miscellaneous | 2,233 |
| TOTAL | 24,656 |

FORM 990EZ, PART II, LINE 24
OTHER ASSETS SCHEDULE 3

PG 01

Statement #131

| <u>Description</u> | <u>Beginning of Year</u> | <u>End of Year</u> |
|--------------------|------------------------------|--------------------|
| Advances | | |
| TOTAL | | |

Federal Supporting Statements**2007 PG 01**

Name(s) as shown on return

MINISTRIES OF DIVINE MERCY INC

FEIN

81-0584458

**FORM 990EZ, PART II, LINE 26
OTHER LIABILITIES SCHEDULE 3**

Statement #132

| <u>Description</u> | <u>Beginning of Year</u> | <u>End of Year</u> |
|--------------------|------------------------------|--------------------|
| Other | 235 | 10,897 |
| TOTAL | 235 | 10,897 |