

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2007

Open to Public Inspection

Form **990**

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

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

Department of the Treasury
Internal Revenue Service

A For the 2007 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization RODALE INSTITUTE		D Employer identification number 23-7206884	
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 611 SIEGFRIEDALE ROAD		E Telephone number 610-683-1400	
		City or town, state or country, and ZIP + 4 KUTZTOWN, PA 19530		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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.RODALEINSTITUTE.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 **N/A**

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 **3,584,528.**

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

Revenue	Expenses	Net Assets																																																																
1 Contributions, gifts, grants, and similar amounts received: a Contributions to donor advised funds b Direct public support (not included on line 1a) 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 \$ 2,728,076. noncash \$ 144,957.)	13 Program services (from line 44, column (B)) 14 Management and general (from line 44, column (C)) 15 Fundraising (from line 44, column (D)) 16 Payments to affiliates (attach schedule) 17 Total expenses. Add lines 16 and 44, column (A)	18 Excess or (deficit) for the year. Subtract line 17 from line 12 19 Net assets or fund balances at beginning of year (from line 73, column (A)) 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																																																																
<table border="1"> <tr><td>1a</td><td></td></tr> <tr><td>1b</td><td>1,705,018.</td></tr> <tr><td>1c</td><td></td></tr> <tr><td>1d</td><td>1,168,015.</td></tr> <tr><td>1e</td><td>2,873,033.</td></tr> </table>	1a		1b	1,705,018.	1c		1d	1,168,015.	1e	2,873,033.	<table border="1"> <tr><td>2</td><td>12,034.</td></tr> <tr><td>3</td><td></td></tr> <tr><td>4</td><td>71,447.</td></tr> <tr><td>5</td><td>107,402.</td></tr> <tr><td>6a</td><td></td></tr> <tr><td>6b</td><td></td></tr> <tr><td>6c</td><td></td></tr> </table>	2	12,034.	3		4	71,447.	5	107,402.	6a		6b		6c		<table border="1"> <tr><td>2</td><td>12,034.</td></tr> <tr><td>3</td><td></td></tr> <tr><td>4</td><td>71,447.</td></tr> <tr><td>5</td><td>107,402.</td></tr> <tr><td>6c</td><td></td></tr> <tr><td>7</td><td>82,742.</td></tr> <tr><td>8d</td><td>3,569.</td></tr> <tr><td>9c</td><td></td></tr> <tr><td>10c</td><td>103,210.</td></tr> <tr><td>11</td><td>60,402.</td></tr> <tr><td>12</td><td>3,313,839.</td></tr> <tr><td>13</td><td>2,194,174.</td></tr> <tr><td>14</td><td>644,598.</td></tr> <tr><td>15</td><td>220,224.</td></tr> <tr><td>16</td><td></td></tr> <tr><td>17</td><td>3,058,996.</td></tr> <tr><td>18</td><td>254,843.</td></tr> <tr><td>19</td><td>12,405,613.</td></tr> <tr><td>20</td><td>1,402,395.</td></tr> <tr><td>21</td><td>14,062,851.</td></tr> </table>	2	12,034.	3		4	71,447.	5	107,402.	6c		7	82,742.	8d	3,569.	9c		10c	103,210.	11	60,402.	12	3,313,839.	13	2,194,174.	14	644,598.	15	220,224.	16		17	3,058,996.	18	254,843.	19	12,405,613.	20	1,402,395.	21	14,062,851.
1a																																																																		
1b	1,705,018.																																																																	
1c																																																																		
1d	1,168,015.																																																																	
1e	2,873,033.																																																																	
2	12,034.																																																																	
3																																																																		
4	71,447.																																																																	
5	107,402.																																																																	
6a																																																																		
6b																																																																		
6c																																																																		
2	12,034.																																																																	
3																																																																		
4	71,447.																																																																	
5	107,402.																																																																	
6c																																																																		
7	82,742.																																																																	
8d	3,569.																																																																	
9c																																																																		
10c	103,210.																																																																	
11	60,402.																																																																	
12	3,313,839.																																																																	
13	2,194,174.																																																																	
14	644,598.																																																																	
15	220,224.																																																																	
16																																																																		
17	3,058,996.																																																																	
18	254,843.																																																																	
19	12,405,613.																																																																	
20	1,402,395.																																																																	
21	14,062,851.																																																																	
2 Program service revenue including government fees and contracts (from Part VII, line 33) 3 Membership dues and assessments 4 Interest on savings and temporary cash investments 5 Dividends and interest from securities 6 a Gross rents b Less: rental expenses c Net rental income or (loss). Subtract line 6b from line 6a 7 Other investment income (describe INTEREST ON NOTE RECEIVABLE) 8 a Gross amount from sales of assets other than inventory <table border="1"> <tr><td>(A) Securities</td><td>732</td><td>(B) Other</td></tr> <tr><td>143,584.</td><td>8a</td><td>4,942.</td></tr> <tr><td>144,957.</td><td>8b</td><td></td></tr> <tr><td><1,373.</td><td>8c</td><td>4,942.</td></tr> </table> d Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2 9 Special events and activities (attach schedule). If any amount is from gaming, check here a Gross revenue (not including \$ of contributions reported on line 1b) b Less: direct expenses other than fundraising expenses c Net income or (loss) from special events. Subtract line 9b from line 9a 10 a Gross sales of inventory, less returns and allowances b Less: cost of goods sold STATEMENT 5 c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 4 11 Other revenue (from Part VII, line 103)	(A) Securities	732	(B) Other	143,584.	8a	4,942.	144,957.	8b		<1,373.	8c	4,942.	<table border="1"> <tr><td>8a</td><td>143,584.</td></tr> <tr><td>8b</td><td>144,957.</td></tr> <tr><td>8c</td><td><1,373.</td></tr> <tr><td>8d</td><td>3,569.</td></tr> <tr><td>9a</td><td></td></tr> <tr><td>9b</td><td></td></tr> <tr><td>9c</td><td></td></tr> <tr><td>10a</td><td>228,942.</td></tr> <tr><td>10b</td><td>125,732.</td></tr> <tr><td>10c</td><td>103,210.</td></tr> </table>	8a	143,584.	8b	144,957.	8c	<1,373.	8d	3,569.	9a		9b		9c		10a	228,942.	10b	125,732.	10c	103,210.	<table border="1"> <tr><td>8d</td><td>3,569.</td></tr> <tr><td>9c</td><td></td></tr> <tr><td>10c</td><td>103,210.</td></tr> <tr><td>11</td><td>60,402.</td></tr> <tr><td>12</td><td>3,313,839.</td></tr> <tr><td>13</td><td>2,194,174.</td></tr> <tr><td>14</td><td>644,598.</td></tr> <tr><td>15</td><td>220,224.</td></tr> <tr><td>16</td><td></td></tr> <tr><td>17</td><td>3,058,996.</td></tr> <tr><td>18</td><td>254,843.</td></tr> <tr><td>19</td><td>12,405,613.</td></tr> <tr><td>20</td><td>1,402,395.</td></tr> <tr><td>21</td><td>14,062,851.</td></tr> </table>	8d	3,569.	9c		10c	103,210.	11	60,402.	12	3,313,839.	13	2,194,174.	14	644,598.	15	220,224.	16		17	3,058,996.	18	254,843.	19	12,405,613.	20	1,402,395.	21	14,062,851.				
(A) Securities	732	(B) Other																																																																
143,584.	8a	4,942.																																																																
144,957.	8b																																																																	
<1,373.	8c	4,942.																																																																
8a	143,584.																																																																	
8b	144,957.																																																																	
8c	<1,373.																																																																	
8d	3,569.																																																																	
9a																																																																		
9b																																																																		
9c																																																																		
10a	228,942.																																																																	
10b	125,732.																																																																	
10c	103,210.																																																																	
8d	3,569.																																																																	
9c																																																																		
10c	103,210.																																																																	
11	60,402.																																																																	
12	3,313,839.																																																																	
13	2,194,174.																																																																	
14	644,598.																																																																	
15	220,224.																																																																	
16																																																																		
17	3,058,996.																																																																	
18	254,843.																																																																	
19	12,405,613.																																																																	
20	1,402,395.																																																																	
21	14,062,851.																																																																	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	17 Total expenses. Add lines 16 and 44, column (A)	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20																																																																

SCANNED SEP 8 2008

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>2,545</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	2,545.	2,545.	STATEMENT 8	
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	298,610.	124,454.	166,968.	7,188.
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	1,411,274.	1,078,583.	253,711.	78,980.
27 Pension plan contributions not included on lines 25a, b, and c	67,129.	47,224.	16,731.	3,174.
28 Employee benefits not included on lines 25a - 27	143,018.	106,269.	28,516.	8,233.
29 Payroll taxes	125,030.	93,737.	24,992.	6,301.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	93,527.	70,705.	17,232.	5,590.
34 Telephone	26,058.	9,883.	15,365.	810.
35 Postage and shipping	17,425.	3,611.	7,719.	6,095.
36 Occupancy				
37 Equipment rental and maintenance	59,273.	46,969.	11,547.	757.
38 Printing and publications	28,975.	6,311.	847.	21,817.
39 Travel	94,564.	78,029.	12,943.	3,592.
40 Conferences, conventions, and meetings	20,412.	20,412.		
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	53,002.	38,710.	14,292.	
43 Other expenses not covered above (itemize)				
a CONSULTING SERVICES	415,931.	320,253.	29,994.	65,684.
b CONTRACTORS AND				
c SUBCONTRACTORS	63,842.	63,542.		300.
d DUES AND SUBSCRIPTIONS	19,881.	10,541.	2,989.	6,351.
e PROFESSIONAL SERVICES	38,066.		38,066.	
f UTILITIES	27,268.	27,268.		
g OTHER	53,166.	45,128.	2,686.	5,352.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	3,058,996.	2,194,174.	644,598.	220,224.

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 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		45 18,743.
	46 Savings and temporary cash investments	2,149,808.	46 2,653,073.
	47 a Accounts receivable	47a 55,377.	
	b Less: allowance for doubtful accounts	47b 1,000.	47c 54,377.
	48 a Pledges receivable	48a 8,202,744.	
	b Less: allowance for doubtful accounts	48b	48c 8,202,744.
	49 Grants receivable	160,158.	49 223,029.
	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 STMT 11	51a 1,030,580.	
	b Less: allowance for doubtful accounts	51b	51c 1,030,580.
	52 Inventories for sale or use	13,404.	52 11,224.
	53 Prepaid expenses and deferred charges	65,754.	53 42,395.
	54 a Investments - publicly-traded securities STMT 13 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,968,250.	54a 1,634,310.
	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		56 0.	
57 a Land, buildings, and equipment: basis	57a 1,412,778.		
b Less: accumulated depreciation STMT 12	57b 960,678.	57c 452,100.	
58 Other assets, including program-related investments (describe CHARITABLE REMAINDER TRUST)	20,820.	58 21,227.	
59 Total assets (must equal line 74) Add lines 45 through 58	12,793,037.	59 14,343,802.	
Liabilities	60 Accounts payable and accrued expenses	333,523.	60 189,273.
	61 Grants payable		61
	62 Deferred revenue	53,901.	62 91,678.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe _____)		65
66 Total liabilities. Add lines 60 through 65	387,424.	66 280,951.	
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	11,585,521.	67 4,989,549.
	68 Temporarily restricted	27,530.	68 8,232,316.
	69 Permanently restricted	792,562.	69 840,986.
	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)	12,405,613.	73 14,062,851.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	12,793,037.	74 14,343,802.

Part VI Other Information (continued)		Yes	No
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 38,279.		
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	N/A
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 a	501(c)(4), (5), or (6). 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? 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.	85b	N/A
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? N/A	89g	
90 a	List the states with which a copy of this return is filed SEE STATEMENT 18		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	38
91 a	The books are in care of CHIEF EXECUTIVE OFFICER Telephone no. 610-683-1400 Located at 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA ZIP + 4 19530		
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 SENEGAL See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

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.)

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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a RENTAL INCOME					5,925.
b EDUCATION AND OUTREACH					4,309.
c TECHNICAL/CONSULTING					1,800.
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	71,447.	
96 Dividends and interest from securities			14	107,402.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	82,742.	
100 Gain or (loss) from sales of assets other than inventory			18	3,569.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					103,210.
103 Other revenue:					
a OTHER INCOME					1,271.
b MISCELLANEOUS EXP. REIM.					59,131.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		265,160.	175,646.
105 Total (add line 104, columns (B), (D), and (E))					440,806.

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).
▼	SEE STATEMENT 19

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.

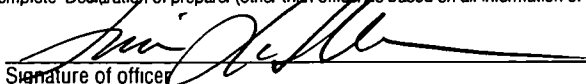
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	----- -----					
b	----- -----					
c	----- -----					
Totals						

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.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
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:  Date: 8/8/08
TIM LASALLE, CHIEF EXECUTIVE OFFICER
 Type or print name and title

Paid Preparer's Use Only: Preparer's signature: Marianne J. Mak, CPA Date: 8/7/08 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: **BRIGGS, BUNTING & DOUGHERTY, LLP**
1835 MARKET STREET, 26TH FLOOR
PHILADELPHIA, PA 19103 EIN: _____ Phone no.: **215-567-7770**

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2007

Name of the organization

RODALE INSTITUTE

Employer identification number

23 7206884

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
<u>PAUL HEPPERLY</u> 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA 1	RESEARCH DIRECTOR 40.00	104,463.	11,108.	0.
<u>AMADOU DIOP</u> 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA 1	INT'L DIRECTOR 40.00	89,500.	19,191.	0.
<u>JEFF MOYER</u> 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA 1	FARM DIRECTOR 40.00	85,789.	18,701.	0.
<u>GREGORY BOWMAN</u> 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA 1	MANAGING EDITOR 40.00	73,688.	18,212.	0.
<u>KATHY KECK</u> 611 SIEGFRIEDALE ROAD, KUTZTOWN, PA 1	EXECU ASSISTANT 40.00	58,240.	2,662.	0.
Total number of other employees paid over \$50,000 ▶	3			

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>WILLIAM KLEPEISS</u> 3111 SODL LANE, WHITEHALL, PA 18052	IT/PROJECT MGMT	58,050.
<u>ANDREW SHACKETT ASSOC.</u> 770 BROADWAY, 2ND FLOOR, NEW YORK, NY 10003	FUNDRAISING ADVISOR	51,750.

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>JOHN BRUBAKER</u> 721 SIEGFRIEDALE ROAD, KUTZTOWN, PA 19530	FARMER	59,917.

Total number of other contractors receiving over \$50,000 for other services ▶	0	

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

		Yes	No
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 ▶ \$ _____ \$ 50,969. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-A, LINE 38B 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.	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? SEE STATEMENT 20	X	
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities? SEE STATEMENT 21	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		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.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	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		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		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		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? 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 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.)	1,927,620.	2,620,032.	3,107,900.	2,796,111.	10,451,663.
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	133,478.	165,991.	214,569.	199,965.	714,003.
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	1,019,157.	1,009,728.	979,187.	993,392.	4,001,464.
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	71,943.	61,962.	67,249.	23,903.	225,057.
23 Total of lines 15 through 22	3,152,198.	3,857,713.	4,368,905.	4,013,371.	15,392,187.
24 Line 23 minus line 17	3,018,720.	3,691,722.	4,154,336.	3,813,406.	14,678,184.
25 Enter 1% of line 23	31,522.	38,577.	43,689.	40,134.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 293,564.
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 3,078,626.
c Total support for section 509(a)(1) test; Enter line 24, column (e)					26c 14,678,184.
d Add: Amounts from column (e) for lines: 18 4,001,464. 19 _____ 22 225,057. 26b 3,078,626.					26d 7,305,147.
e Public support (line 26c minus line 26d total)					26e 7,373,037.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 50.2313%
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					
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					
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 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.					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.)		
<hr/> <hr/> <hr/>			
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	
<hr/> <hr/>			
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	
<hr/> <hr/>			
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	

2007 DEPRECIATION AND AMORTIZATION REPORT
 FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	LAND IMPROVEMENTS	VARIES	SL	20.00	17	34,421.			34,421.	1,864.		0.
2	MACHINERY AND EQUIPMENT	VARIES	DB	5.00	17	1123623.			1123623.	905,812.		53,002.
3	LAND	VARIES	SL			254,726.			254,726.			0.
	* TOTAL 990 PAGE 2 DEPR					1412770.		0.	1412770.	907,676.	0.	53,002.

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

(D) - Asset disposed

FOOTNOTES

STATEMENT 1

FOOTNOTE SUPPORTING FORM 990 PART V-B

COMPENSATION AND BENEFITS REPRESENT SEVERANCE PACKAGE TO
FORMER CHIEF FINANCIAL OFFICER WHICH WAS PAID IN 2007 AND
RECORDED AS EXPENSE IN 2006.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 2

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
INVESTMENTS	143,584.	144,957.	0.	<1,373.>
TO FORM 990, PART I, LINE 8	143,584.	144,957.	0.	<1,373.>

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
PEUGOT VEHICLE - SENEGAL	01/01/00	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNKNOWN	289.	0.	0.	0.	289.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
COPY MACHINE - SENEGAL	04/01/00	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNKNOWN	96.	2,589.	0.	2,589.	96.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
OFFICE TABLE - SENEGAL	01/01/00	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNKNOWN	4.	0.	0.	0.	4.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
PLASTIC CHAIRS - SENEGAL	01/01/00	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNKNOWN	11.	0.	0.	0.	11.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
1998 VEHICLE - SENEGAL	01/01/00	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNKNOWN	4,514.	0.	0.	0.	4,514.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
GAIN ON EXCHANGE			PURCHASED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
THRU BROKERAGE	28.	0.	0.	28.
TO FM 990, PART I, LN 8	4,942.	2,589.	0.	4,942.

FORM 990	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	5
DESCRIPTION		AMOUNT	
ORGANIC GRAIN PURCHASED FROM FARMER FOR RESALE		73,140.	
TOTAL INCLUDED ON FORM 990, PART I, LINE 10B		73,140.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	6
DESCRIPTION		AMOUNT	
PRIOR PERIOD ADJ TO ADJUST THE VALUATION OF THE CONTRIBUTION RECEIVABLE FROM RODALE, INC. AND RECLASSIFY IT TO TEMPORARILY RESTRICTED NET ASSETS		8,390,820.	
PRIOR PERIOD ADJ TO ADJUST FAIR VALUE OF PERMANENTLY RESTRICTED ENDOWMENT		99,184.	
PRIOR PERIOD ADJ - IMPACT OF ABOVE TO ADJUSTMENTS ON UNRESTRICTED NET ASSETS		<6,975,464.>	
CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS-UNRESTRICTED		<58,878.>	
CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS-PERM RESTRICTED		<53,267.>	
TOTAL TO FORM 990, PART I, LINE 20		1,402,395.	

FORM 990	SALES OF INVENTORY			STATEMENT	7
DESCRIPTION OF SALES CATEGORY	GROSS SALES	COGS	NET SALES		
BOOKSTORE/CATALOG	96,031.	52,592.	43,439.		
ORGANIC GRAIN AND ORGANIC VEGETABLES	132,911.	73,140.	59,771.		
TOTAL AMOUNTS	228,942.	125,732.	103,210.		

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 8
TO OTHERS

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
GRANT-GARDEN SUPPLIES LEARNING GATE COMMUNITY SCHOOL 16215 HANNAH ROAD LUTZ, FL 33549	1,000.
GRANT-GARDEN SUPPLIES TONGUE RIVER ELEMENTARY SCHOOL P.O. BOX 849, 124 DAYTON STREET RANCHESTER, WY 82839	500.
GRANT-GARDEN SUPPLIES GREEN CHIMNEYS SCHOOL P.O. BOX 719, 400 DOANSBURG ROAD BREWSTER, NY 10509	250.
ANNUAL DONATION KUTZTOWN FIRE COMPANY 310 NOBLE STREET KUTZTOWN, PA 19530	25.
COMPOST DONATION SOUTH BETHLEHEM COMMUNITY GARDEN 27 MEMORIAL DRIVE WEST BETHLEHEM, PA 18015	700.
COMPOST DONATION EMMAUS HIGH SCHOOL 500 MACUNGIE AVENUE EMMAUS, PA 18049	70.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	2,545.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 9
PART III

EXPLANATION

THE RODALE INSTITUTE WORKS PEOPLE WORLDWIDE TO ACHIEVE A REGENERATIVE FOOD SYSTEM THAT RENEWS ENVIRONMENTAL AND HUMAN HEALTH. ITS COMMITMENT TO RESEARCH IS THE BACKBONE OF ITS MISSION, AND ITS RESEARCH HAS HELPED SUPPORT THE MOVEMENT FOR NATIONAL EDUCATION AND RESEARCH ON ORGANIC AGRICULTURE AND FOOD. IT IS ENGAGED IN PROMOTING AND TAKING THE MESSAGE OF ORGANIC AND REGENERATIVE AGRICULTURE TO FARMERS, AGRICULTURAL RESEARCHERS, POLICY MAKERS, AND THE GENERAL PUBLIC IN THE U.S. AND WORLDWIDE. IT ALSO

RECOGNIZE CHILDREN AS THE EARTH'S FUTURE DECISION MAKERS. AND ITS
 WWW.KIDSREGEN.ORG WEBSITES PROVIDES FACTUAL FUN AND USEFUL INFORMATION TO
 EMPOWER KIDS, PARENTS, AND EDUCATORS TO MAKE HEALTHY CHOICES.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 10

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
INTERNATIONAL PROGRAMS	0.	151,223.
COMMUNICATIONS	0.	137,709.
TOTAL TO FORM 990, PART III, LINE E		288,932.

FORM 990 OTHER NOTES AND LOANS REPORTED SEPARATELY STATEMENT 11

BORROWER'S NAME TERMS OF REPAYMENT
 RODALE, INC. QUARTERLY PAYMENT OF INTEREST WITH PRINCIPAL BALLOON PAYMENT

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE	FMV OF CONSIDERATION
01/01/91	03/31/11	1,030,580.	7.00%	1,030,580.

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN
 NONE REFINANCE CONSIDERATION FOR REPURCHASE OF PREFERRED STOCK OF RODALE INC

RELATIONSHIP OF BORROWER	DESCRIPTION OF CONSIDERATION	DOUBTFUL ACCT ALLOWANCE	BALANCE DUE
	PREFERRED STOCK OF RODALE, INC.	0.	1,030,580.
TOTALS INCLUDED ON FORM 990, PART IV, LINE 51		0.	1,030,580.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	254,726.	0.	254,726.
LAND IMPROVEMENTS	34,421.	1,864.	32,557.
MACHINERY AND EQUIPMENT	1,123,631.	958,814.	164,817.
TOTAL TO FORM 990, PART IV, LN 57	1,412,778.	960,678.	452,100.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 13

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY SECURITIES	FMV			1,634,310.	1,634,310.
TO FORM 990, LINE 54A, COL B				1,634,310.	1,634,310.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 14

DESCRIPTION	AMOUNT
COGS - BOOKSTORE/CATALOGS	52,592.
COGS - ORGANIC GRAIN AND ORGANIC VEGETABLES	73,140.
TOTAL TO FORM 990, PART IV-A	125,732.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 15

DESCRIPTION	AMOUNT
COGS - BOOKSTORE/CATALOGS	52,592.
COGS - ORGANIC GRAIN AND ORGANIC VEGETABLES	73,140.
TOTAL TO FORM 990, PART IV-B	125,732.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 16

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PAUL MCGINLEY 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	CO-CHAIR OF THE BOARD 1.00	0.	0.	0.
ARDATH RODALE 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	CO-CHAIR OF THE BOARD 1.00	0.	0.	0.
ANTHONY RODALE 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	CHAIRMAN EMERITUS 1.00	0.	0.	0.
MARK KINTZEL 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	SECRETARY 1.00	0.	0.	0.
MARIA RODALE 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	VICE CHAIRMAN 1.00	0.	0.	0.
LOUISE SCHORN SMITH 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
GEORGE BIRD 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
JOSEPH MCMAHON 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
LORNA DONALDSON 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
W. CLINTON PETTUS 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
DR. TED ALTER 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.

CHRISTIANE BAKER 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
HELEN PISZEK NELSON 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	DIRECTOR 1.00	0.	0.	0.
JOHN MCCUE 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	CHIEF OPERATING OFFICER 40.00	138,380.	1,463.	0.
TIM LASALLE 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	CHIEF EXECUTIVE OFFICER 40.00	75,112.	4,761.	0.
ROSALBA MESSINA - RESIGNED 8/17/07 611 SIEGFRIEDALE ROAD KUTZTOWN, PA 19530-9320	INTERIM PRESIDENT/CEO 40.00	78,894.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V-A

292,386.	6,224.	0.
----------	--------	----

FORM 990

EXPLANATION OF RELATIONSHIP
PART V-A, LINE 75B

STATEMENT 17

INDIVIDUAL'S NAME

TITLE OR ROLE

ARDATH RODALE

CO-CHAIRMAN OF RODALE INSTITUTE

INDIVIDUAL'S NAME

TITLE OR ROLE

ANTHONY RODALE

CHAIRMAN EMERITUS OF RODALE INSTITUTE

EXPLANATION OF RELATIONSHIP

MOTHER AND SON

INDIVIDUAL'S NAME

TITLE OR ROLE

ARDATH RODALE

CO-CHAIRMAN OF RODALE INSTITUTE

INDIVIDUAL'S NAME

TITLE OR ROLE

MARIA RODALE

VICE CHAIRMAN OF RODALE INSTITUTE

EXPLANATION OF RELATIONSHIP

MOTHER AND DAUGHTER

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2A

STATEMENT 20

THE FOLLOWING BOARD MEMBERS ARE ALSO ON THE RODALE INC BOARD: ARDATH RODALE AND ANTHONY RODALE. THE RODALE INSTITUTE IS NOT A RELATED ORGANIZATION BY THE 50% BOARD OVERLAP RULE AND OWNERSHIP. THE RODALE INSTITUTE LEASES OFFICE SPACE FROM RODALE INC AT \$833 PER MONTH CONDUCTED AT FMV.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2C

STATEMENT 21

THE INSTITUTE PAID RODALE INC \$13,146 FOR EDUCATIONAL BOOKS FOR RESALE AT THE RODALE INSTITUTE BOOKSTORE/CAFE. THE FOLLOWING OFFICERS ARE BOARD MEMBERS OF BOTH THE INSTITUTE AND RODALE INC: ARDATH RODALE AND ANTHONY RODALE.

PAUL MCGINLEY, BOARD MEMBER OF THE ORGANIZATION, IS A PARTNER OF GROSS MCGINLEY LABARRE AND EATON LLP WHO IS THE LEGAL COUNSEL OF THE ORGANIZATION.

SCHEDULE A	OTHER INCOME			STATEMENT 22
DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
OTHER INCOME	71,943.	61,962.	67,249.	23,903.
TOTAL TO SCHEDULE A, LINE 22	71,943.	61,962.	67,249.	23,903.

Rodale Institute**EIN – 23-7206884****Statement Supporting Form 990 Part III – Statement of Program Service
Accomplishments****60th anniversary brings new leadership**

In 2007, the Rodale Institute celebrated 60 years of pioneering organic agricultural research and education. We also brought on board our first-ever CEO, Tim LaSalle, Ph.D. Dr. LaSalle—who holds a doctorate in depth psychology, a master's degree in populations genetics and a bachelor's degree in science—immediately challenged our organization to look at the big picture to understand how organic agriculture could play a major role in meeting some of the world's most pressing health and environmental challenges. These include the areas of nutrition, famine prevention and global warming.

Prior to joining the Institute, Dr. LaSalle served as executive director for various other nonprofits, including the Northwest Earth Institute and the Allan Savory Center for Holistic Management. For 12 years he was a full professor at Cal Poly, where he taught dairy science classes and served as the president and CEO of California's Agriculture Education Foundation.

2007 milestones**Research and training**

- Revised the Farming Systems Trial to include contemporary conventional farming practices of no-till with herbicides coupled with GM seed stock, as well as cutting-edge organic no-till practices, along side the original organic and conventional treatments.
- Received Organic Farming Research Foundation (OFRF) grant to evaluate organic biological controls for cutworms in corn.
- Received Pennsylvania Energy Development Authority (PEDA) grant to improve measurement and identification of changes in soil organic matter and carbon sequestration.
- Research agroecologist Matthew Ryan completed his master's degree in weed ecology from The Pennsylvania State University.
- Received Northeast IPM (Integrated Pest Management) research grant to experiment with cover crops for weed suppression.
- Provided key inputs for the Pennsylvania Climate Roadmap, collaborating with the Pennsylvania Environment Council and key stakeholders
- Worked with USDA researchers to release 'Purple Bounty', a new early flowering hairy vetch cultivar, which will allow farmers in more northern climates to utilize this important legume cover crop.

- Hosted a group of six Korean sustainable agriculture students from Gyeongsang National University, and their professor, throughout the month of July.
- Hosted a no-till field day here on our farm.
- Co-hosted the International Conference to Develop Educational Strategies for Sustainable Agriculture at Cornell University.
- Research Manager Paul Hepperly delivered keynote address to Beyond Pesticides Conference in Chicago.
- Published “The Organic Farming Response to Climate Change,” covering Rodale Institute carbon sequestration research, in *Pesticides and You* magazine (Vol 27, No 1).
- National Geographic photographer Jim Richardson visited our farm to capture images for a story the state of soil worldwide.
- Published “Studies and Advances in Composting Technology” in *ACRES USA* magazine (Vol 37, No 9), summarizing research from a Pennsylvania Department of Energy Nutrient Sequestration Grant.
- National Sustainable Agriculture information service (ATTRA) interviewed research agronomist Dave Wilson for an “Conversations in the Field” column featuring movers and shakers in the sustainable agriculture movement.
- Research agronomist Dave Wilson presented research results at the American Society of Agronomy-Crop Science Society of America-Soil Science Society of America International Annual Meeting in New Orleans. Wilson also presented at the Northeast Agriculture Expo in Raleigh, North Carolina, and the 10th Anniversary of the Long-term Agroecological Research (LTAR) plots at the Neelly-Kinyon Field Day in Iowa.
- Held composting workshop in Lancaster, Pa.
- Hosted organic production field day here on our farm.
- Hosted Women In Agriculture workshop here on our farm.
- Developed and implemented custom educational programs for students from Lehigh University, Delaware Valley College, Albright College, Lafayette College, Bristol Community College, Alfred State College and Earth University.
- Developed and implemented corporate educational programs for staff from Mars, Inc., and Seeds of Change.

Newfarm.org

- Completed USDA Risk Management Agency (RMA)-funded Online Organic Transition Course, along with complementary Organic System Plan and Crop Conversion Calculator tools.
- Posted farmer-centered stories and sustainable/organic farming news in monthly updates to www.newfarm.org.
- Produced content on developing local, organic food networks; strategic analysis on global food production; role of biofuels in sustainable food system; new/young farmers starting out; innovative land access; organic success at farm and regional organic processing level; grass-based dairy opportunities and managing organic weeds.

International programs

- Rodale Institute teamed up with Food and Agriculture Organization (FAO) and the Swiss Research Institute for Organic Agriculture (FiBL) to explore low-level greenhouse-gas agriculture and food systems.
- Cultivated partnerships to pursue internationally focused programs with Africare, World Neighbors, North Carolina State University, University of Florida, the Regional Research Center for Adaptation of Drought (CERAAS), the Food and Agriculture Organization (FAO), the International Funds for Agricultural Development, the World Bank and USAID.
- Rodale Institute International Programs director Amadou Makhtar Diop, Ph.D., invited by government of Norway to conduct two workshops at an international conference on the topic “Can Africa feed itself? Poverty, Agriculture and Environment – Challenge for Africa.” Dr. Diop presented our global young farmer leadership development initiative and described the role that organic farming and agro-ecology should play in the developing world. The symposium led to publication of a book entitled “Africa Can Feed Itself” (The Development Fund, 2007) and featuring Dr. Diop’s presentation.
- Bike Town Senegal launched in partnership with Rodale Inc.’s Bicycling Magazine and the healthy living publisher’s Bike Town Africa program. Twenty five specially made cargo bikes have been distributed to farmers to date to help them get their products to market.
- Rodale Institute research manager Paul Hepperly selected as Fulbright scholar to teach organic practices to agricultural leaders in Uruguay.
- Research agroecologist Matthew Ryan presented Institute research results at the 7th European Weed Research Society Workshop on Physical and Cultural Weed Control in Germany.

Farm operations

- The initiation of the planning process for a new garden, based on the principles of Natural Agriculture.
- The expansion of the organic no-till work, based on the management of cover crops with the Rodale Roller/Crimper, to include many new farmers and research organizations.
- The Organic Price Report gathered more momentum with the inclusion of new price suppliers.
- Our constructed wetlands project for waste water treatment for our visitor center took a few giant steps forward in 2007 with the acceptance of the USDA-EPA grant.
- We successfully implemented all research field projects and managed the farm production areas with record net farm returns due to high grain prices and good yields.
- Jeff Moyer was voted in as vice-chair of the National Organic Standards Board for 2008

Kid's Regeneration

- Kidsregen.org Organic School Garden Awards contest received entries from around the country. A charter school in Tampa, Florida, took first-place honors.
- Kidsregen.org website continued to offer information and activities promoting food, gardening and farming awareness to children, parents and educators.
- KidsRegen.org shuts down after six years as part of streamlining our web presence (revitalized Rodale Institute website will now include a Kids & Families department).

Communications

- Provided research into organic conversion for policymakers seeking to incentivize conversion to organic agriculture.
- Provided research updates on the Rodale Institute no-till roller/crimper; soil carbon research; agronomic research; and outside research bearing upon regenerative organic systems.
- Continued weekly updates of the Organic Price Report (OPR).
- Supported developing communications effort of the Institute.

Application for Extension of Time To File an Exempt Organization Return

▶ 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 **X**
- 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 THE RODALE INSTITUTE	Employer identification number 23-7206884
	Number, street, and room or suite no. If a P.O. box, see instructions. 611 SIEGFRIEDALE ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. KUTZTOWN, PA 19530	

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 ▶ **CHIEF ADMINISTRATION OFFICER**
Telephone No. ▶ **610-683-1400** FAX No. ▶ _____
- 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 **AUGUST 15, 2008**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2007** or
 ▶ tax year beginning _____, and ending _____

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	\$ N/A

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.

Efiled 5/9/08