

**Return of Organization Exempt From Income Tax**

**2005**

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

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

**A** For the **2005** calendar year, or tax year beginning , **2005**, and ending , **20**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C** Name of organization: **Paul Carlson Medical Program**  
 Number and street (or P O box if mail is not delivered to street address) Room/suite:  
**5101 N. Francisco Avenue**  
 City or town, state or country, and ZIP + 4:  
**Chicago, IL 60625**

**D** Employer identification number: **36 : 2645180**

**E** Telephone number: **( 773 ) 784-3000**

**F** Accounting method:  Cash  Accrual  
 Other (specify) ▶

**H and I are not applicable to section 527 organizations.**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates ▶  
**H(c)** Are all affiliates included?  Yes  No  
 (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number ▶  
**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

**G** Website: ▶

**J** Organization type (check only one) ▶  501(c) ( ) ◀ (insert no)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

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

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

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

SCANNED AUG 04 2006

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received:			
	<b>a</b> Direct public support	<b>1a</b>	<b>883,701</b>	
	<b>b</b> Indirect public support	<b>1b</b>		
	<b>c</b> Government contributions (grants)	<b>1c</b>		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	<b>1d</b>	<b>883,701</b>	
	<b>2</b> Program service revenue (including government fees and contracts (from Part VII, line 93))	<b>2</b>		
	<b>3</b> Membership dues and assessments	<b>3</b>		
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		
	<b>5</b> Dividends and interest from securities	<b>5</b>		
	<b>6a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less: rental expenses	<b>6b</b>		
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		
<b>7</b> Other investment income (describe ▶ <b>From Invested cash</b> )	<b>7</b>	<b>67,924</b>		
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	<b>8a</b>		
	(B) Other	<b>8b</b>		
		<b>8c</b>	<b>34,129</b>	
	<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>	<b>34,129</b>	
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>		
	<b>b</b> Less: direct expenses other than fundraising expenses	<b>9b</b>		
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>			
	<b>b</b> Less: cost of goods sold	<b>10b</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>	<b>993,967</b>		
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>	<b>1,979,721</b>		
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	<b>862,759</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	<b>63,828</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>	<b>157,262</b>	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>		
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>	<b>1,083,849</b>	
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>	<b>895,872</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	<b>1,399,679</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>		
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>	<b>2,295,551</b>	

G/S

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) . . . . . (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22	762,606	762,606	
23	Specific assistance to individuals (attach schedule) . . . . .	23			
24	Benefits paid to or for members (attach schedule) . . . . .	24			
25	Compensation of officers, directors, etc. . . . .	25	51,399	25,700	15,699
26	Other salaries and wages . . . . .	26			
27	Pension plan contributions . . . . .	27			
28	Other employee benefits . . . . .	28			
29	Payroll taxes . . . . .	29			
30	Professional fundraising fees . . . . .	30			
31	Accounting fees . . . . .	31	10,000		10,000
32	Legal fees . . . . .	32	1,033		1,033
33	Supplies . . . . .	33	1,059		1,059
34	Telephone . . . . .	34	10		10
35	Postage and shipping . . . . .	35	2,254		2,254
36	Occupancy . . . . .	36			
37	Equipment rental and maintenance . . . . .	37			
38	Printing and publications . . . . .	38			
39	Travel . . . . .	39	38,266	18,266	5,000
40	Conferences, conventions, and meetings . . . . .	40			
41	Interest . . . . .	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize):				
a	Video	43a	15,259		15,259
b	Fundraising	43b	117,003		117,003
c	Office and Field Expenses	43c	84,287	56,187	28,100
d	Board and Misc Expense	43d	673		673
e		43e			
f		43f			
g		43g			
44	<b>Total functional expenses.</b> Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,083,849	862,759	63,828

**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 \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

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

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

What is the organization's primary exempt purpose? ► <u>Informational ministry, charitable, benevolent, edu</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<b>a</b> <u>The Paul Carlson Foundation provides a caring compassionate quality mechanism for individuals and organizations to channel gifts-in-kind,time and funds to meet urgent, International health needs in a high quality effective manner</u> ..... ..... ..... (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>862,759</b>
<b>b</b> ..... ..... ..... ..... (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>c</b> ..... ..... ..... ..... (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>d</b> ..... ..... ..... ..... (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services). . . . ►	

**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
<b>Assets</b>	45 Cash—non-interest-bearing . . . . .	296,356	45	149,233
	46 Savings and temporary cash investments . . . . .		46	
	47a Accounts receivable . . . . .			
	47b Less: allowance for doubtful accounts . . . . .	19,353	47c	5,477
	48a Pledges receivable . . . . .			
	48b Less: allowance for doubtful accounts . . . . .	110,447	48c	0
	49 Grants receivable . . . . .		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		50	
	51a Other notes and loans receivable (attach schedule) . . . . .			
	51b Less: allowance for doubtful accounts . . . . .		51c	
	52 Inventories for sale or use . . . . .		52	
	53 Prepaid expenses and deferred charges . . . . .		53	
	54 Investments—securities (attach schedule) . . . . . <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,193,717	54	2,283,257
	55a Investments—land, buildings, and equipment: basis . . . . .			
	55b Less: accumulated depreciation (attach schedule) . . . . .		55c	
56 Investments—other (attach schedule) . . . . .		56		
57a Land, buildings, and equipment: basis . . . . .				
57b Less: accumulated depreciation (attach schedule) . . . . .		57c		
58 Other assets (describe ► . . . . .)	1,856	58	8,397	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58. . . . .	<b>1,621,729</b>	<b>59</b>	<b>2,446,364</b>	
<b>Liabilities</b>	60 Accounts payable and accrued expenses . . . . .	222,050	60	28,252
	61 Grants payable . . . . .		61	
	62 Deferred revenue . . . . .		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		63	
	64a Tax-exempt bond liabilities (attach schedule) . . . . .		64a	
	64b Mortgages and other notes payable (attach schedule) . . . . .		64b	
	65 Other liabilities (describe ► <u>Unrealized gain on Securities</u> . . . . .)		65	122,561
<b>66 Total liabilities.</b> Add lines 60 through 65 . . . . .	<b>220,050</b>	<b>66</b>	<b>150,813</b>	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted . . . . .	1,275,173	67	2,185,238
	68 Temporarily restricted . . . . .	124,506	68	110,313
	69 Permanently restricted . . . . .		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <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	
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) . . . . .	<b>1,399,679</b>	<b>73</b>	<b>2,295,551</b>	
<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73.	<b>1,621,729</b>	<b>74</b>	<b>2,446,364</b>	

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

a	Total revenue, gains, and other support per audited financial statements . . . . .	a	1,116,739
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments . . . . .	b1	122,561
2	Donated services and use of facilities . . . . .	b2	
3	Recoveries of prior year grants . . . . .	b3	
4	Other (specify): .....	b4	
	Add lines b1 through b4 . . . . .	b	122,561
c	Subtract line b from line a . . . . .	c	994,178
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b . . . . .	d1	
2	Other (specify): <u>Donation from Affiliate</u> .....	d2	985,543
	Add lines d1 and d2 . . . . .	d	985,543
e	Total revenue (Part I, line 12). Add lines c and d . . . . . ▶	e	1,979,721

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

a	Total expenses and losses per audited financial statements . . . . .	a	943,767
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities . . . . .	b1	
2	Prior year adjustments reported on Part I, line 20 . . . . .	b2	
3	Losses reported on Part I, line 20 . . . . .	b3	
4	Other (specify): .....	b4	
	Add lines b1 through b4 . . . . .	b	0
c	Subtract line b from line a . . . . .	c	943,767
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b . . . . .	d1	
2	Other (specify): .....	d2	
	Add lines d1 and d2 . . . . .	d	0
e	Total expenses (Part I, line 17). Add lines c and d . . . . . ▶	e	943,767

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Jim Sundholm 5101 N Francisco Avenue, Chicago, IL 60625	Chairman, 20 hours	45,660	5,739	none
Ruth Hill 5101 N Francisco Avenue, Chicago, IL 60625	Vice Chairman	none	none	none
Curt Peterson 5101 N Francisco Avenue, Chicago, IL 60625	President	none	none	none
Harold Spooner 5101 N Francisco Avenue, Chicago, IL 60625	Secretary	none	none	none
Elliott Johnson 5101 N Francisco Avenue, Chicago, IL 60625	Treasurer	none	none	none
Laurie Clark 5101 N Francisco Avenue, Chicago, IL 60625	Director	none	none	none
David Dwight 5101 N Francisco Avenue, Chicago, IL 60625	Director	none	none	none
Glenn Palmberg 5101 N Francisco Avenue, Chicago, IL 60625	Director	none	none	none

**Part V-A** Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)

75b

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations.

75c

If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

d Does the organization have a written conflict of interest policy?

75d

**Part V-B** Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Multiple rows for listing individuals.

**Part VI** Other Information (See the instructions.)

Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity

76

77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.

77

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a

b If "Yes," has it filed a tax return on Form 990-T for this year?

78b

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?

80a

b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt

81a

81a Enter direct and indirect political expenditures. (See line 81 instructions.)

81b

b Did the organization file Form 1120-POL for this year?

Part VI Other Information (continued)

Yes No

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? **82a**  Yes  No

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** \_\_\_\_\_

83a Did the organization comply with the public inspection requirements for returns and exemption applications? **83a**  Yes  No

b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? **83b**  Yes  No

84a Did the organization solicit any contributions or gifts that were not tax deductible? **84a**  Yes  No

b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? **84b**  Yes  No

85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? **85a**  Yes  No

b Did the organization make only in-house lobbying expenditures of \$2,000 or less? **85b**  Yes  No  
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.

c Dues, assessments, and similar amounts from members **85c** \_\_\_\_\_

d Section 162(e) lobbying and political expenditures **85d** \_\_\_\_\_

e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices **85e** \_\_\_\_\_

f Taxable amount of lobbying and political expenditures (line 85d less 85e) **85f** \_\_\_\_\_

g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? **85g**  Yes  No

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**  Yes  No

86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 **86a** \_\_\_\_\_

b Gross receipts, included on line 12, for public use of club facilities **86b** \_\_\_\_\_

87 501(c)(12) orgs. Enter: a Gross income from members or shareholders **87a** \_\_\_\_\_

b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) **87b** \_\_\_\_\_

88 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 **88**  Yes  No

89a 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 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction **89b**  Yes  No

c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 \_\_\_\_\_

d Enter: Amount of tax on line 89c, above, reimbursed by the organization \_\_\_\_\_

90a List the states with which a copy of this return is filed **Illinois**

b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.) **90b** 1

91a The books are in care of **Elliott Johnson** Telephone no. **(773) 784-3000**  
Located at **5101 N Francisco Avenue, Chicago, IL 60625** ZIP + 4 **60625**

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? **91b**  Yes  No  
If "Yes," enter the name of the foreign country \_\_\_\_\_  
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

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

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

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments					
<b>96</b> Dividends and interest from securities . . . . .					
<b>97</b> Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events . . . . .					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue: a <b>Card Sales</b>					8,424
b _____					
c <b>Donation from Affiliate</b>					985,543
d _____					
e _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))					993,967
<b>105</b> Total (add line 104, columns (B), (D), and (E))					993,967

Note: Line 105 plus line 1d, 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).
103	The cards were purchased by individuals in lieu of gifts to other people and amounts were designated to be applied to specific projects supported by the Paul Carlson Medical Program

**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
	%			
	%			
	%			
	%			

**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).

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.

Signature of officer: *Curt Peterson* Date: 6/30/06

Curt Peterson, President

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:

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

EIN: \_\_\_\_\_ Phone no: ( ) \_\_\_\_\_



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

	Yes	No
<b>1</b> 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.) . . . . .		✓
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.		
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property? . . . . .	<b>2a</b>	✓
<b>b</b> Lending of money or other extension of credit? . . . . .	<b>2b</b>	✓
<b>c</b> Furnishing of goods, services, or facilities? . . . . .	<b>2c</b>	✓
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	<b>2d</b>	✓
<b>e</b> Transfer of any part of its income or assets? . . . . .	<b>2e</b>	✓
<b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) . . . . .	<b>3a</b>	✓
<b>b</b> Do you have a section 403(b) annuity plan for your employees? . . . . .	<b>3b</b>	✓
<b>c</b> During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	<b>3c</b>	✓
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .	<b>4a</b>	✓
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .	<b>4b</b>	✓

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

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 supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ▶  Type 1  Type 2  Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14**  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .	<b>1,177,127</b>	<b>15,282</b>			<b>1,192,409</b>
<b>16</b> Membership fees received . . . . .					
<b>17</b> 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 . . . . .					
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .	<b>32,002</b>	<b>23,472</b>			<b>55,474</b>
<b>19</b> Net income from unrelated business activities not included in line 18. . . . .					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
<b>21</b> 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 . . . . .					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .	<b>11,140</b>				<b>11,140</b>
<b>23</b> Total of lines 15 through 22 . . . . .	<b>1,220,469</b>	<b>38,754</b>			<b>1,259,223</b>
<b>24</b> Line 23 minus line 17 . . . . .	<b>1,220,469</b>	<b>38,754</b>			<b>1,259,223</b>
<b>25</b> Enter 1% of line 23 . . . . .	<b>12,205</b>	<b>388</b>			
<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24 . . . . . ▶					<b>25,184</b>
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 2001 through 2004 exceeded the amount shown in line 26a. <b>Do not file this list with your return.</b> Enter the total of all these excess amounts ▶					<b>402,708</b>
c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					<b>1,259,223</b>
d Add: Amounts from column (e) for lines: 18 <u>55,474</u> 19 _____					
22 _____ 26b _____ ▶					<b>55,474</b>
e Public support (line 26c minus line 26d total) . . . . . ▶					<b>1,203,749</b>
f <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b> . . . . . ▶					<b>95.5 %</b>
<b>27 Organizations described on line 12:</b> 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." <b>Do not file this list with your return.</b> Enter the sum of such amounts for each year:  (2004) _____ (2003) _____ (2002) _____ (2001) _____					
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.) <b>Do not file this list with your return.</b> 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:  (2004) _____ (2003) _____ (2002) _____ (2001) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					
17 _____ 20 _____ 21 _____ ▶					<b>27c</b>
d Add: Line 27a total _____ and line 27b total _____ ▶					<b>27d</b>
e Public support (line 27c total minus line 27d total) . . . . . ▶					<b>27e</b>
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . . . ▶				<b>27f</b>	
g <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b> . . . . . ▶					<b>27g %</b>
h <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b> . . . . . ▶					<b>27h %</b>
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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. <b>Do not file this list with your return.</b> Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 7 of the instructions.)  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> 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? . . . . .		
<b>30</b> 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? . . . . .		
<b>31</b> 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.) ..... ..... .....		
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>d</b> 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.) ..... .....		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? . . . . .		
<b>b</b> Admissions policies? . . . . .		
<b>c</b> Employment of faculty or administrative staff? . . . . .		
<b>d</b> Scholarships or other financial assistance? . . . . .		
<b>e</b> Educational policies? . . . . .		
<b>f</b> Use of facilities? . . . . .		
<b>g</b> Athletic programs? . . . . .		
<b>h</b> Other extracurricular activities? . . . . .		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		
<b>b</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.		
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group. Check **b**  if you checked "a" and "limited control" provisions apply.

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying). . . . .	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>		
<b>39</b> Other exempt purpose expenditures . . . . .	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table—			
<b>If the amount on line 40 is—</b> <b>The lobbying nontaxable amount is—</b>			
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 . . . . .		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41). . . . .	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36. . . . .	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38. . . . .	<b>44</b>		

**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 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures . . . . .					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>50</b> 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 11 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:

- 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.) . . . . .

Yes	No	Amount

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



Query2

Name	Address	City	State	ZIP	Amount
					16,237
					5,793
					7,102
					5,548
					12,661
					11,000
					10,024
					5,954
					15,000
					10,000
					24,000
					20,000
					6,000
					6,000
					15,000
					20,000
					9,339
					10,323
					5,276
					6,228
					45,345
					91,888
					50,000
					253,540
					75,505
					145,940
					<u>883,701</u>

For Office Use Only

PMT # \_\_\_\_\_  
 AMT \_\_\_\_\_  
 INIT \_\_\_\_\_

# ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT

Form AG990-IL  
Revised 3/05

Attorney General LISA MADIGAN State of Illinois  
 Charitable Trust Bureau, 100 West Randolph  
 11th Floor, Chicago, Illinois 60601

CO # \_\_\_\_\_

Report for the Fiscal Period:

Beginning 2 / 1 / 2005

& Ending 1 / 31 / 2006

Make Checks Payable to the Illinois Charity Bureau Fund

Check all items attached:

- Copy of IRS Return
- Audited Financial Statements
- Copy of Form IFC
- \$15.00 Annual Report Filing Fee
- \$100.00 Late Report Filing Fee

Federal ID # 36-26451800

Are contributions to the organization tax deductible?  Yes  No

Date Organization was created: 04 / 20 / 66

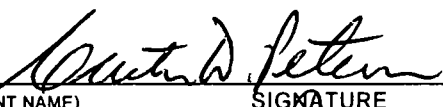
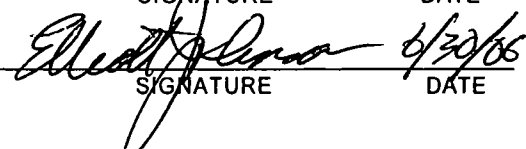
<p>LEGAL NAME Paul Carlson Medical Program          MAIL ADDRESS 5101 N. Francisco Avenue          CITY, STATE ZIP CODE Chicago, IL 60625</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Year-end amounts</th> </tr> <tr> <td>A) ASSETS</td> <td>A) \$ 2,446,364</td> </tr> <tr> <td>B) LIABILITIES</td> <td>B) \$ 28,252</td> </tr> <tr> <td>C) NET ASSETS</td> <td>C) \$ 2,418,364</td> </tr> </table>	Year-end amounts		A) ASSETS	A) \$ 2,446,364	B) LIABILITIES	B) \$ 28,252	C) NET ASSETS	C) \$ 2,418,364								
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C) NET ASSETS	C) \$ 2,418,364																
<p><b>I. SUMMARY OF ALL REVENUE ITEMS DURING THE YEAR:</b></p> <p>D) PUBLIC SUPPORT, CONTRIBUTIONS &amp; PROGRAM SERVICE REV. (GROSS AMTS.)</p> <p>E) GOVERNMENT GRANTS &amp; MEMBERSHIP DUES</p> <p>F) OTHER REVENUES</p> <p>G) TOTAL REVENUE, INCOME AND CONTRIBUTIONS RECEIVED (ADD D,E, &amp; F)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>PERCENTAGE</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>79.1 %</td> <td>D) \$ 883,701</td> </tr> <tr> <td>%</td> <td>E) \$ 0</td> </tr> <tr> <td>20.9 %</td> <td>F) \$ 233,039</td> </tr> <tr> <td>100%</td> <td>G) \$</td> </tr> </tbody> </table>	PERCENTAGE	AMOUNT	79.1 %	D) \$ 883,701	%	E) \$ 0	20.9 %	F) \$ 233,039	100%	G) \$						
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<p><b>II. SUMMARY OF ALL EXPENDITURES DURING THE YEAR:</b></p> <p>H) OPERATING CHARITABLE PROGRAM EXPENSE</p> <p>I) EDUCATION PROGRAM SERVICE EXPENSE</p> <p>J) TOTAL CHARITABLE PROGRAM SERVICE EXPENSE (ADD H &amp; I)</p> <p>J1) JOINT COSTS ALLOCATED TO PROGRAM SERVICES (INCLUDED IN J) \$</p> <p>K) GRANTS TO OTHER CHARITABLE ORGANIZATIONS</p> <p>L) TOTAL CHARITABLE PROGRAM SERVICE EXPENDITURE (ADD J &amp; K)</p> <p>M) MANAGEMENT AND GENERAL EXPENSE</p> <p>N) FUNDRAISING EXPENSE</p> <p>O) TOTAL EXPENDITURES THIS PERIOD (ADD L, M, &amp; N)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>79.6 %</td> <td>H) \$ 862,759</td> </tr> <tr> <td>%</td> <td>I) \$</td> </tr> <tr> <td>79.6 %</td> <td>J) \$ 862,759</td> </tr> <tr> <td>%</td> <td>K) \$ 0</td> </tr> <tr> <td>79.6 %</td> <td>L) \$ 862,759</td> </tr> <tr> <td>5.9 %</td> <td>M) \$ 63,828</td> </tr> <tr> <td>14.5 %</td> <td>N) \$ 157,262</td> </tr> <tr> <td>100 %</td> <td>O) \$ 1,083,849</td> </tr> </tbody> </table>	79.6 %	H) \$ 862,759	%	I) \$	79.6 %	J) \$ 862,759	%	K) \$ 0	79.6 %	L) \$ 862,759	5.9 %	M) \$ 63,828	14.5 %	N) \$ 157,262	100 %	O) \$ 1,083,849
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<p><b>III. SUMMARY OF ALL PAID FUNDRAISER AND CONSULTANT ACTIVITIES:</b>          (Attach Attorney General Report of Individual Fundraising Campaign- Form IFC One for each PFR.)</p> <p><b>PROFESSIONAL FUNDRAISERS:</b></p> <p>P) TOTAL AMOUNT RAISED BY PAID PROFESSIONAL FUNDRAISERS</p> <p>Q) TOTAL FUNDRAISERS FEES AND EXPENSES</p> <p>R) NET RECEIVED BY THE CHARITY (P MINUS Q=R)</p> <p><b>PROFESSIONAL FUNDRAISING CONSULTANTS:</b></p> <p>S) TOTAL AMOUNT PAID TO PROFESSIONAL FUNDRAISING CONSULTANTS</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>100 %</td> <td>P) \$ 0</td> </tr> <tr> <td>%</td> <td>Q) \$</td> </tr> <tr> <td>%</td> <td>R) \$</td> </tr> <tr> <td></td> <td>S) \$</td> </tr> </tbody> </table>	100 %	P) \$ 0	%	Q) \$	%	R) \$		S) \$								
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<p><b>IV. COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR:</b></p> <p>T) NAME, TITLE. Jim Sundholm, Chairman</p> <p>U) NAME, TITLE.</p> <p>V) NAME, TITLE</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>T) \$ 45,660</td> </tr> <tr> <td>U) \$</td> </tr> <tr> <td>V) \$</td> </tr> </tbody> </table>	T) \$ 45,660	U) \$	V) \$													
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<p><b>V. CHARITABLE PROGRAM DESCRIPTION:</b> CHARITABLE PROGRAM (3 HIGHEST BY \$ EXPENDED) CODE CATEGORIES</p> <p>W) DESCRIPTION Medical Clinics</p> <p>X) DESCRIPTION Programs for Needy Children</p> <p>Y) DESCRIPTION Education for Children</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>List on back side of instructions CODE</td> </tr> <tr> <td>W) # 062</td> </tr> <tr> <td>X) # 115</td> </tr> <tr> <td>Y) # 002</td> </tr> </table>	List on back side of instructions CODE	W) # 062	X) # 115	Y) # 002												
List on back side of instructions CODE																	
W) # 062																	
X) # 115																	
Y) # 002																	

IF THE ANSWER TO ANY OF THE FOLLOWING IS YES, ATTACH A DETAILED EXPLANATION:		YES	NO
1. WAS THE ORGANIZATION THE SUBJECT OF ANY COURT ACTION, FINE, PENALTY OR JUDGMENT? .....	1.		✓
2. HAS THE ORGANIZATION OR A CURRENT DIRECTOR, TRUSTEE, OFFICER OR EMPLOYEE THEREOF, EVER BEEN CONVICTED BY ANY COURT OF ANY MISDEMEANOR INVOLVING THE MISUSE OR MISAPPROPRIATION OF FUNDS OR ANY FELONY? .....	2.		✓
3. DID THE ORGANIZATION MAKE A GRANT AWARD OR CONTRIBUTION TO ANY ORGANIZATION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES OWNS AN INTEREST; OR WAS IT A PARTY TO ANY TRANSACTION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES HAS A MATERIAL FINANCIAL INTEREST; OR DID ANY OFFICER, DIRECTOR OR TRUSTEE RECEIVE ANYTHING OF VALUE NOT REPORTED AS COMPENSATION? .....	3.		✓
4. HAS THE ORGANIZATION INVESTED IN ANY CORPORATE STOCK IN WHICH ANY OFFICER, DIRECTOR OR TRUSTEE OWNS MORE THAN 10% OF THE OUTSTANDING SHARES? .....	4.		✓
5. IS ANY PROPERTY OF THE ORGANIZATION HELD IN THE NAME OF OR COMMINGLED WITH THE PROPERTY OF ANY OTHER PERSON OR ORGANIZATION? .....	5.		✓
6. DID THE ORGANIZATION USE THE SERVICES OF A PROFESSIONAL FUNDRAISER? ( ATTACH FORM IFC ) .....	6.		✓
7a. DID THE ORGANIZATION ALLOCATE THE COST OF ANY SOLICITATION, MAILING, ADVERTISEMENT OR LITERATURE COSTS BETWEEN PROGRAM SERVICE AND FUNDRAISING EXPENSES? .....	7		✓
7b. IF "YES", ENTER (i) THE AGGREGATE AMOUNT OF THESE JOINT COSTS \$ _____; (ii) THE AMOUNT ALLOCATED TO PROGRAM SERVICES \$ _____; (iii) THE AMOUNT ALLOCATED TO MANAGEMENT AND GENERAL \$ _____; AND (iv) THE AMOUNT ALLOCATED TO FUNDRAISING \$ _____			
8. DID THE ORGANIZATION EXPEND ITS RESTRICTED FUNDS FOR PURPOSES OTHER THAN RESTRICTED PURPOSES? .....	8.		✓
9. HAS THE ORGANIZATION EVER BEEN REFUSED REGISTRATION OR HAD ITS REGISTRATION OR TAX EXEMPTION SUSPENDED OR REVOKED BY ANY GOVERNMENTAL AGENCY? .....	9		✓
10. WAS THERE OR DO YOU HAVE ANY KNOWLEDGE OF ANY KICKBACK, BRIBE, OR ANY THEFT, DEFALCATION MISAPPROPRIATION, COMMINGLING OR MISUSE OF ORGANIZATIONAL FUNDS? .....	10.		✓
11. LIST THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTIONS WHERE THE ORGANIZATION MAINTAINS ITS THREE LARGEST ACCOUNTS: Chase Bank, Chicago Illinois Acct 64427569 Covenant Trust Company, 5215 Old Orchard Road, Suite 725, Skokie IL 660077, Acct 50-5858-00			
12. NAME AND TELEPHONE NUMBER OF CONTACT PERSON: Elliott Johnson 773-784-3000			

**ALL ATTACHMENTS MUST ACCOMPANY THIS REPORT - SEE INSTRUCTIONS**

UNDER PENALTY OF PERJURY, I (WE) THE UNDERSIGNED DECLARE AND CERTIFY THAT I (WE) HAVE EXAMINED THIS ANNUAL REPORT AND THE ATTACHED DOCUMENTS, INCLUDING ALL THE SCHEDULES AND STATEMENTS AND THE FACTS THEREIN STATED ARE TRUE AND COMPLETE AND FILED WITH THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF HAVING THE PEOPLE OF THE STATE OF ILLINOIS RELY THEREUPON. I HEREBY FURTHER AUTHORIZE AND AGREE TO SUBMIT MYSELF AND THE REGISTRANT HEREBY TO THE JURISDICTION OF THE STATE OF ILLINOIS.

**BE SURE TO INCLUDE ALL FEES DUE:**  
 1) REPORTS ARE DUE WITHIN SIX MONTHS OF YOUR FISCAL YEAR END  
 2) FOR FEES DUE SEE INSTRUCTIONS  
 3.) REPORTS THAT ARE LATE OR INCOMPLETE ARE SUBJECT TO A \$100.00 PENALTY

Curtis D Peterson		6/30/06
PRESIDENT or TRUSTEE (PRINT NAME)	SIGNATURE	DATE
Elliott Johnson		6/30/06
TREASURER or TRUSTEE (PRINT NAME)	SIGNATURE	DATE
PREPARER (PRINT NAME)	SIGNATURE	DATE

***Paul Carlson  
Partnership***

*Financial Statements as of and for the  
Years Ended January 31, 2006 and 2005,  
and Independent Auditors' Report*

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Paul Carlson Partnership  
Chicago, Illinois

We have audited the accompanying statement of financial position of the Paul Carlson Partnership (the "Partnership") as of January 31, 2006 and 2005, and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Partnership as of January 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

May 11, 2006

# PAUL CARLSON PARTNERSHIP

## STATEMENTS OF FINANCIAL POSITION AS OF JANUARY 31, 2006 AND 2005

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	2006	2005
<b>ASSETS</b>		
CASH	\$ 149,233	\$ 296,356
CONTRIBUTIONS RECEIVABLE		110,447
DUE FROM AFFILIATES	5,477	19,353
INVESTMENTS	2,283,257	1,193,717
OTHER CURRENT ASSETS	<u>8,397</u>	<u>1,856</u>
TOTAL	<u>\$2,446,364</u>	<u>\$1,621,729</u>
 <b>LIABILITIES AND NET ASSETS</b>		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 14,523	\$ 40,960
DUE TO AFFILIATES	<u>13,729</u>	<u>181,090</u>
Total liabilities	<u>28,252</u>	<u>222,050</u>
NET ASSETS:		
Unrestricted	2,307,799	1,275,173
Temporarily restricted	<u>110,313</u>	<u>124,506</u>
Total net assets	<u>2,418,112</u>	<u>1,399,679</u>
TOTAL	<u>\$2,446,364</u>	<u>\$1,621,729</u>

See notes to financial statements.

# PAUL CARLSON PARTNERSHIP

## STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED JANUARY 31, 2006

	Unrestricted	Temporarily Restricted	Total
INCOME:			
Contributions	\$ 455,580	\$ 428,121	\$ 883,701
Investment income	224,614		224,614
Other income	8,424		8,424
	<u>688,618</u>	<u>428,121</u>	<u>1,116,739</u>
Total income			
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>442,314</u>	<u>(442,314)</u>	<u></u>
	<u>1,130,932</u>	<u>(14,193)</u>	<u>1,116,739</u>
EXPENSES:			
Field project expense	762,606		762,606
Video project	15,259		15,259
Indirect administrative fees	84,287		84,287
Salaries and benefits	51,399		51,399
Fundraising	117,003		117,003
Travel	38,266		38,266
Professional fees	11,033		11,033
Office expense	3,996		3,996
	<u>1,083,849</u>	<u>-</u>	<u>1,083,849</u>
Total expenses			
INCREASE (DECREASE) IN NET ASSETS	47,083	(14,193)	32,890
Transfer from affiliate	985,543		985,543
NET ASSETS—Beginning of year	<u>1,275,173</u>	<u>124,506</u>	<u>1,399,679</u>
NET ASSETS—End of year	<u>\$2,307,799</u>	<u>\$ 110,313</u>	<u>\$2,418,112</u>

See notes to financial statements.

# PAUL CARLSON PARTNERSHIP

## STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED JANUARY 31, 2005

	Unrestricted	Temporarily Restricted	Total
<b>INCOME:</b>			
Contributions	\$ 847,943	\$ 329,184	\$ 1,177,127
Investment income	83,462		83,462
Other income	11,140		11,140
	<u>942,545</u>	<u>329,184</u>	<u>1,271,729</u>
<b>Total income</b>	<b>942,545</b>	<b>329,184</b>	<b>1,271,729</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
	<u>204,678</u>	<u>(204,678)</u>	<u></u>
	<u>1,147,223</u>	<u>124,506</u>	<u>1,271,729</u>
<b>EXPENSES:</b>			
Field project expense	554,558		554,558
Video project	50,863		50,863
Anniversary celebration	30,610		30,610
Indirect administrative fees	133,515		133,515
Salaries and benefits	72,736		72,736
Fundraising	39,065		39,065
Travel	40,766		40,766
Professional fees	16,709		16,709
Office expense	4,945		4,945
	<u>943,767</u>	<u></u>	<u>943,767</u>
<b>Total expenses</b>	<b>943,767</b>	<b></b>	<b>943,767</b>
<b>INCREASE IN NET ASSETS</b>	<b>203,456</b>	<b>124,506</b>	<b>327,962</b>
<b>NET ASSETS—Transfer from affiliate</b>	<u>1,071,717</u>	<u></u>	<u>1,071,717</u>
<b>NET ASSETS—End of year</b>	<u>\$ 1,275,173</u>	<u>\$ 124,506</u>	<u>\$ 1,399,679</u>

See notes to financial statements.

# PAUL CARLSON PARTNERSHIP

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JANUARY 31, 2006 AND 2005

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	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 32,890	\$ 327,962
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized appreciation on investments	(122,561)	(51,243)
Gain on sale of investments	(34,129)	(217)
Change in assets and liabilities:		
Contributions receivable	110,447	(110,447)
Due from affiliates	13,876	(19,353)
Other current assets	(6,541)	(1,856)
Accounts payable and accrued expenses	(26,437)	40,960
Due to affiliates	<u>(167,361)</u>	<u>142,552</u>
Net cash (used in) provided by operating activities	<u>(199,816)</u>	<u>328,358</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(102,875)	(38,205)
Proceeds from sale of investments	<u>155,568</u>	<u>6,203</u>
Net cash provided by (used in) investing activities	<u>52,693</u>	<u>(32,002)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(147,123)</b>	<b>296,356</b>
<b>CASH—Beginning of year</b>	<u>296,356</u>	<u>          </u>
<b>CASH—End of year</b>	<u>\$ 149,233</u>	<u>\$ 296,356</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Transfer from affiliate	<u>\$ 985,543</u>	<u>\$1,071,717</u>

See notes to financial statements.

# PAUL CARLSON PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JANUARY 31, 2006 AND 2005

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### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**History**—The Paul Carlson Foundation was founded in 1966 as a not-for-profit organization in the State of Illinois. In 1973, the name of the organization was changed to The Paul Carlson Medical Program, Inc. (the “Program”). In 1991, the Board of the Paul Carlson Medical Program voted to have the administration of the Program transferred to The Evangelical Covenant Church (the “Church”). The Church continues to be the sole member of the Program. During 2004, the Program adopted an assumed name to reflect the broadened scope of its mission, and is doing business as Paul Carlson Partnership (the “Partnership”). The organization operates under the bylaws established for The Paul Carlson Medical Program.

**Organization**—The Partnership is an international aid and development organization, honoring the life and spirit of missionary doctor Paul E. Carlson, who served the people of northwest Congo in 1963-1964 and was killed by rebel soldiers. Working together with local leaders and people, the Partnership develops projects, programs, and facilities for medical services, public health services, child welfare services, community development activities, education, and research. Toward those ends, the Partnership raises funds to be used to accomplish the purposes to which Paul Carlson dedicated his life. Priorities of the Partnership address three areas of urgent needs: health, poverty, and education. Currently, the Partnership is focusing efforts on the Democratic Republic of Congo (the “Congo Project”), with a three-year program to help the people of northwest Congo rebuild following the devastation of civil war. Effective January 31, 2006, the U.S. Agency for International Development (“USAID”) approved the Program’s application for registration in the USAID Registry of Private Voluntary Organizations.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Due from and Due to Affiliates**—Amounts due from and due to affiliates represent normal operating activities processed on behalf of the Partnership by the Church and Covenant Communication.

**Transfer from Affiliate**—During the years ended January 31, 2006 and 2005, net assets consisting of investments were transferred from the Church to the Partnership in the amount of \$985,543 and \$1,071,717, respectively.

**Contributions**—Contributions are recorded at the time of notification of an unconditional promise from the donor and are classified as Unrestricted or Temporarily Restricted based on the donor’s intent.

**Income Tax Status**—The Partnership is exempt from taxation pursuant to Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is required.

## 2. INVESTMENTS

Investments at January 31, 2006 and 2005, consist of the following:

	2006	
	Cost	Market
National Covenant Properties Certificates	\$ 360,150	\$ 360,150
Marketable securities:		
Mutual funds	851,487	1,361,965
Bond funds	547,654	538,350
Money market funds	<u>22,792</u>	<u>22,792</u>
Total	<u>\$ 1,782,083</u>	<u>\$ 2,283,257</u>
	2005	
	Cost	Market
National Covenant Properties Certificates	\$ 295,000	\$ 295,000
Marketable securities:		
Mutual funds	528,415	732,536
Bond funds	143,861	140,597
Money market funds	<u>25,584</u>	<u>25,584</u>
Total	<u>\$ 992,860</u>	<u>\$ 1,193,717</u>

Marketable securities are recorded at fair value based upon quoted prices for such securities.

Investments in National Covenant Properties Certificates bear interest at rates ranging from 4% to 5.75% and mature through 2010. The fair value of the National Covenant Properties Certificates approximates their cost.

Investment income for the years ended January 31, 2006 and 2005, consists of the following:

	2006	2005
Dividends and interest—net of investment fees	\$ 67,924	\$ 32,002
Gain on sale of investments	34,129	217
Unrealized appreciation	<u>122,561</u>	<u>51,243</u>
Total	<u>\$ 224,614</u>	<u>\$ 83,462</u>

## 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of matching gifts for contributions received by the Partnership during the year ended January 31, 2005.

**4. RELATED-PARTY TRANSACTIONS**

The Partnership reimburses the Church for expenses paid on its behalf and the Church remits to the Partnership contributions received on its behalf. As of January 31, 2006 and 2005, \$13,729 and \$181,090, respectively, was due to the Church. Included in the Statement of Activities are indirect administrative fees paid to the Church of \$84,287 and \$133,515 for various administrative and operating activities of the Partnership.

Due from affiliates represents amounts collected by Covenant Communication on behalf of the Partnership for sale of materials related to the education and promotion of Partnership activities. As of January 31, 2006 and 2005, \$5,477 and \$19,353, respectively, was due from Covenant Communication.

Investments are held and managed by Covenant Trust Company. Fees paid to Covenant Trust Company during the years ended January 31, 2006 and 2005, were \$12,219 and \$6,202, respectively.

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