

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2004

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 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

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

C Name of organization: **CORNERSTONE COMMUNITY OUTREACH**

Number and street (or P.O. box if mail is not delivered to street address): **939 W. WILSON**

City or town, state or country, and ZIP + 4: **CHICAGO, IL 60640**

D Employer identification number: **36-3670992**

E Telephone number: **773-506-4909**

F Accounting method: Cash, Accrual

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

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? **N/A** Yes No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.CCOLIFE.ORG**

J Organization type (check only one) 501(c) (03) (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 received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

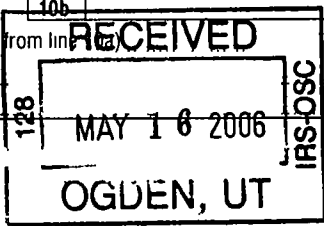
I Group Exemption Number

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **2,115,842.**

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

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	1,052,096.		
	b Indirect public support	1b	36,219.		
	c Government contributions (grants)	1c	1,019,052.		
	d Total (add lines 1a through 1c) (cash \$ 2,045,811. noncash \$ 61,556.)	1d			2,107,367.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			8,475.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			
	5 Dividends and interest from securities	5			
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7 Other investment income (describe)	7				
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		8a			
		8b			
		8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
Revenue	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ of contributions reported on line 1a)	9a		
		b Less: direct expenses other than fundraising expenses	9b		
		c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
Revenue	10 a Gross sales of inventory, less returns and allowances		10a		
		b Less: cost of goods sold	10b		
		c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
Expenses	11 Other revenue (from Part VII, line 103)	11			
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			2,115,842.
	13 Program services (from line 44, column (B))	13			2,132,475.
	14 Management and general (from line 44, column (C))	14			84,436.
	15 Fundraising (from line 44, column (D))	15			3,641.
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			2,220,552.
	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			<104,710.>
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			527,417.
	20 Other changes in net assets or fund balances (attach explanation)	20			<8,895.>
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			413,812.



SCANNED JUN 18 2006

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	
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22				
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 62,500.	61,875.	625.	0.	
26 Other salaries and wages	26 686,637.	686,064.		573.	
27 Pension plan contributions	27				
28 Other employee benefits	28 262,075.	248,223.	13,843.	9.	
29 Payroll taxes	29 70,166.	70,106.	58.	2.	
30 Professional fundraising fees	30				
31 Accounting fees	31 12,234.		12,234.		
32 Legal fees	32 738.	738.			
33 Supplies	33 88,651.	75,016.	12,622.	1,013.	
34 Telephone	34 32,448.	32,117.	331.		
35 Postage and shipping	35 3,036.	1,341.	1,396.	299.	
36 Occupancy	36 91,023.	90,780.	239.	4.	
37 Equipment rental and maintenance	37 9,020.	9,010.	10.		
38 Printing and publications	38 1,689.	102.	357.	1,230.	
39 Travel	39 24,579.	23,780.	799.		
40 Conferences, conventions, and meetings	40				
41 Interest	41 248,359.	241,185.	6,871.	303.	
42 Depreciation, depletion, etc. (attach schedule)	42 171,827.	169,656.	1,999.	172.	
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e SEE STATEMENT 2	43e	455,570.	422,482.	33,052.	36.
44 <small>Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15</small>	44	2,220,552.	2,132,475.	84,436.	3,641.

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

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)

a TRANSITIONAL & EMERGENCY SHELTERS-PROVIDE FAMILIES WITH UP TO 120 DAYS OF SHELTER & SERVICES INCLUDING MEALS, COUNSELING, CLOTHING, JOB TRAINING, DAYCARE & LIFE SKILL TRAINING. SERVES 75 PEOPLE DAILY & 340 ANNUALLY. (Grants and allocations \$ _____)	997,027.
b SECOND STAGE HOUSING - OFFERS 18 SINGLE HOMELESS MOTHERS AND THEIR CHILDREN ONE YEAR OF HOUSING IN 2-3 BEDROOM APARTMENTS. PROVIDES SELF-SUFFICIENCY TRAINING AND PERMANENT HOUSING ASSISTANCE. (Grants and allocations \$ _____)	239,469.
c WARMING CENTERS-PROVIDE EVENING ACCOMODATIONS & MEALS TO SINGLE HOMELESS ADULTS. SERVES APPROXIMATELY 100 MEN AND 100 WOMEN DAILY. (Grants and allocations \$ _____)	223,512.
d OTHER PROGRAMS INCLUDE COMPUTER & LIFE SKILLS , A FREE STORE, SUBSIDIZED SENIOR HOUSING, "BROTHAS & SISTAS"WHICH PROVIDES AFTER SCHOOL ACTIVITIES & TUTORING FOR AREA YOUTH, AND CHILD CARE. (Grants and allocations \$ _____)	672,467.
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	2,132,475.

Part IV Balance Sheets

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	685.	685.
	46 Savings and temporary cash investments	15,467.	18,602.
	47 a Accounts receivable	11,118.	
	b Less: allowance for doubtful accounts		11,118.
	48 a Pledges receivable	93,100.	
	b Less: allowance for doubtful accounts		93,100.
	49 Grants receivable	164,952.	206,578.
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges		
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
	55 a Investments - land, buildings, and equipment: basis		
	b Less: accumulated depreciation		
56 Investments - other			
57 a Land, buildings, and equipment: basis	5,203,075.		
b Less: accumulated depreciation STMT 4	1,234,742.	4,013,408.	
58 Other assets (describe SEE STATEMENT 5)	20,317.	44,811.	
59 Total assets (add lines 45 through 58) (must equal line 74)	4,265,063.	4,343,227.	
Liabilities	60 Accounts payable and accrued expenses	356,878.	215,319.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees	35,469.	
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable STMT 6 STMT 7	2,485,236.	2,854,298.
	65 Other liabilities (describe SEE STATEMENT 8)	860,063.	859,798.
66 Total liabilities (add lines 60 through 65)	3,737,646.	3,929,415.	
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	508,172.	381,727.
	68 Temporarily restricted	19,245.	32,085.
	69 Permanently restricted		
	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		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	527,417.	413,812.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	4,265,063.	4,343,227.

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
a Total revenue, gains, and other support per audited financial statements ▶ a <u>2,115,842.</u>	a Total expenses and losses per audited financial statements ▶ a <u>2,220,552.</u>
b Amounts included on line a but not on line 12, Form 990: <ul style="list-style-type: none"> (1) Net unrealized gains on investments \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants \$ _____ (4) Other (specify): \$ _____ 	b Amounts included on line a but not on line 17, Form 990: <ul style="list-style-type: none"> (1) Donated services and use of facilities \$ _____ (2) Prior year adjustments reported on line 20, Form 990 \$ _____ (3) Losses reported on line 20, Form 990 \$ _____ (4) Other (specify): \$ _____
Add amounts on lines (1) through (4) ▶ b <u>0.</u>	Add amounts on lines (1) through (4) ▶ b <u>0.</u>
c Line a minus line b ▶ c <u>2,115,842.</u>	c Line a minus line b ▶ c <u>2,220,552.</u>
d Amounts included on line 12, Form 990 but not on line a: <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify): \$ _____ 	d Amounts included on line 17, Form 990 but not on line a: <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify): \$ _____
Add amounts on lines (1) and (2) ▶ d <u>0.</u>	Add amounts on lines (1) and (2) ▶ d <u>0.</u>
e Total revenue per line 12, Form 990 (line c plus line d) ▶ e <u>2,115,842.</u>	e Total expenses per line 17, Form 990 (line c plus line d) ▶ e <u>2,220,552.</u>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
CURT MORTIMER 4615 N. CLIFTON CHICAGO, IL 60640	PRESIDENT 2-3	0.	0.	0.
VICTOR WILLIAMS 4615 N. CLIFTON CHICAGO, IL 60640	VICE PRESIDENT 2-3	0.	0.	0.
NEIL TAYLOR 4615 N. CLIFTON CHICAGO, IL 60640	TREASURER 2-3	0.	0.	0.
RONALD BROWN 4615 N. CLIFTON CHICAGO, IL 60640	SECRETARY 2-3	0.	0.	0.
DAWN MORTIMER 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1-2	0.	0.	0.
JEROME NELSON 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1-2	0.	0.	0.
DICK CONSER 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1-2	0.	0.	0.
TOM CAMERON 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1-2	0.	0.	0.
SANDRA RAMSEY 4615 N. CLIFTON CHICAGO, IL 60640	EXECUTIVE DIRECTOR 40	62,500.	6,868.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. ▶ Yes No

Part VI Other Information

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80 a 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?
80 b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt.
81 a Enter direct or indirect political expenditures. See line 81 instructions
81 b Did the organization file Form 1120-POL for this year?
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?
82 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.)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 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?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87 b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
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?
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955
89 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?
89 c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter: Amount of tax on line 89c, above, reimbursed by the organization
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2004
91 The books are in care of Telephone no.

Located at 4615 N. CLIFTON, CHICAGO, IL ZIP + 4 60640

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

Part VII Analysis of Income-Producing Activities (See page 33 of 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 CLIENT FEES					8,475.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
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					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		0.	8,475.
105 Total (add line 104, columns (B), (D), and (E))					8,475.

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 page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	CLIENT FEES RECEIVED IN EXCHANGE FOR CLOTHING, SHELTER AND FOOD. FEES BASED ON ABILITY TO PAY; NO INDIVIDUAL IS REFUSED SERVICE BASED ON INABILITY TO PAY FEE.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

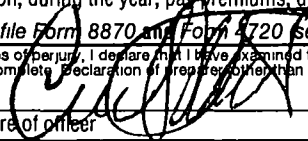
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

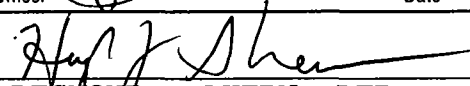
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (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 5720 (See instructions)

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:  Date: 5/9/06 Type or print name and title: Curtis Martimer

Preparer's signature:  Date: 04/28/06 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **DESMOND & AHERN, LTD.**
10827 S. WESTERN AVENUE
CHICAGO, IL 60643-3206

EIN: _____ Phone no.: (773) 779-4720

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2004

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization

CORNERSTONE COMMUNITY OUTREACH

Employer identification number

36 3670992

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>NONE</u> -----				

Total number of other employees paid over \$50,000 ▶

0

Part II 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>NONE</u> -----		

Total number of others receiving over \$50,000 for professional 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 ► \$ _____ \$ _____ (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.		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?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	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.)		X
b	Do you have a section 403(b) annuity plan for your employees?		X
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

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) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 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 5 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,316,197.	2,063,968.	2,086,409.	1,097,519.	7,564,093.
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	8,944.	12,489.	21,706.	26,173.	69,312.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975		1,257.			1,257.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,325,141.	2,077,714.	2,108,115.	1,123,692.	7,634,662.
24 Line 23 minus line 17	2,316,197.	2,065,225.	2,086,409.	1,097,519.	7,565,350.
25 Enter 1% of line 23	23,251.	20,777.	21,081.	11,237.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 151,307.
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 7,565,350.
d Add: Amounts from column (e) for lines: 18 <u>1,257.</u> 19 _____ 22 _____ 26b _____					26d 1,257.
e Public support (line 26c minus line 26d total)					26e 7,564,093.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.9834%
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	(2003)	(2002)	(2001)	(2000)	
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 11, 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	(2003)	(2002)	(2001)	(2000)	
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 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

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

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

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

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

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

2004 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	Amount Of Depreciation
	BUILDINGS											
4	BUILDING	VARI	ESSL	30.00	16	2892248.			2892248.	413,602.		96,408.
5	FURNITURE	VARI	ESSL	7.00	16	62,700.			62,700.	53,564.		2,755.
6	LEASEHOLD IMPROVEMENTS	VARI	ESSL	30.00	16	1684520.			1684520.	448,841.		55,236.
	* 990 PAGE 2 TOTAL BUILDINGS					4639468.		0.	4639468.	916,007.	0.	154,399.
	FURNITURE & FIXTURES											
7	EQUIPMENT	063005	SL	5.00	16	174,520.			174,520.	139,559.		11,050.
	* 990 PAGE 2 TOTAL FURNITURE & FIXTURES					174,520.		0.	174,520.	139,559.	0.	11,050.
	TRANSPORTATION EQUIPMENT											
2	VEHICLES	VARI	ESSL	5.00	16	33,140.			33,140.	8,345.		5,382.
	* 990 PAGE 2 TOTAL TRANSPORTATION EQUIPME					33,140.		0.	33,140.	8,345.	0.	5,382.
	LAND											
1	LAND	VARI	ESSL			355,947.			355,947.			0.
	* 990 PAGE 2 TOTAL LAND					355,947.		0.	355,947.	0.	0.	0.
	* GRAND TOTAL 990 PAGE 2 DEPR					5203075.		0.	5203075.	1063911.	0.	170,831.

FORM 990 **DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT** **STATEMENT** **4**

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	355,947.	0.	355,947.
VEHICLES	33,140.	13,727.	19,413.
BUILDING	2,892,248.	510,010.	2,382,238.
FURNITURE	62,700.	56,319.	6,381.
LEASEHOLD IMPROVEMENTS	1,684,520.	504,077.	1,180,443.
EQUIPMENT	174,520.	150,609.	23,911.
TOTAL TO FORM 990, PART IV, LN 57	5,203,075.	1,234,742.	3,968,333.

FORM 990 **OTHER ASSETS** **STATEMENT** **5**

DESCRIPTION	AMOUNT
DEBT ISSUE COSTS NET OF AMORTIZAION	24,445.
DEPSOITS	20,366.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	44,811.

FORM 990 **MORTGAGES PAYABLE** **STATEMENT** **6**

DESCRIPTION	BALANCE DUE
	0.
	0.
COMMUNITY INVESTMENT CORPORATION	763,508.
NATIONAL COVENANT PROPERTIES	1,891,232.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B	2,654,740.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 7

LENDER'S NAME TERMS OF REPAYMENT

UPTOWN NATIONAL BANK-LINE INTEREST ONLY
OF CREDIT

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
	02/01/00	100,000.	6.75%

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

SIGNATURE LINE OF CREDIT IS ORIGINAL AMOUNT

RELATIONSHIP OF LENDER

BANKER

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
CASH	0.	199,558.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B 199,558.

FORM 990 OTHER LIABILITIES STATEMENT 8

DESCRIPTION	AMOUNT
REFUNDABLE ADVANCE	50,233.
FORGIVABLE LT DEBT-CHGO DEPT OF HOUSING	809,565.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	859,798.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 9
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
JESUS PEOPLE USA CHURCH	X	
FRIENDLY TOWERS	X	

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II			Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization		Employer identification number		
	CORNERSTONE COMMUNITY OUTREACH		36-3670992		
	Number, street, and room or suite no. If a P.O. box, see instructions. 939 W. WILSON		For IRS use only		
City, town or post office, state, and ZIP code. For a foreign address, see instructions CHICAGO, IL 60640					

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

- Form 990
 Form 990-EZ
 Form 990-T (sec 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **▶ CURT MORTIMER**
Telephone No. **▶ (773) 506-4904** FAX No. **▶ 773-303-0116**
- 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 is for

4 I request an additional 3-month extension of time until MAY 15, 2006

5 For calendar year _____, or other tax year beginning JUL 1, 2004 and ending JUN 30, 2005

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

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO PREPARE THE FINANCIAL STATEMENTS NECESSARY TO COMPLETE THE INFORMATION RETURN.

8a 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 \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due.** Subtract line 8b from line 8a 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 \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Carol Cullinan Title ▶ CPA Date ▶ 2/12/06

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return
- We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name	DESMOND & AHERN, LTD. ATTN: C. CULLINAN
	Number and street (include suite, room, or apt. no.) or a P.O. box number	10827 S. WESTERN AVE.
	City or town, province or state, and country (including postal or ZIP code)	CHICAGO, IL 60643

EXTENSION APPROVED
MAR 03 2006
FIELD DIRECTOR
SUBMISSION PROCESSING CENTER

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
 - 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)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization CORNERSTONE COMMUNITY OUTREACH	Employer identification number 36-3670992
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions. 939 W. WILSON	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CHICAGO, IL 60640	

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 ▶ **CURT MORTIMER**
 Telephone No ▶ **(773) 506-4904** FAX No ▶ **773-303-0116**
- 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 **Form 990-T corporation**) extension of time until **FEBRUARY 15, 2006** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2004**, and ending **JUN 30, 2005**.

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 \$ _____

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 \$ _____

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 \$ 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