

Return of Organization Exempt From Income Tax

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

Department of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning 7/1/2007, and ending 6/30/2007

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

C Name of organization: SARAH'S CIRCLE
 Number and street (or P O box if mail is not delivered to street address): P.O. BOX 408061 4750N. Sheridan Rd. Room/suite: 220
 City or town: CHICAGO State or country: IL ZIP + 4: 60640

D Employer identification number: 36-3043662

E Telephone number: 773-728-1014

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: Sarahs-circle.org

J Organization type (check only one): 501(c) (3) (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 608,683

H and **I** are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates: N/A
H(c) Are all affiliates included? 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)

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

Revenue					
1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds	1a	40,000		
b	Direct public support (not included on line 1a)	1b	392,180		
c	Indirect public support (not included on line 1a)	1c	0		
d	Government contributions (grants) (not included on line 1a)	1d	126,214		
e	Total (add lines 1a through 1d) (cash \$ <u>417,841</u> noncash \$ <u>140,553</u>)	1e		558,394	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		0	
3	Membership dues and assessments	3		0	
4	Interest on savings and temporary cash investments	4		1,402	
5	Dividends and interest from securities	5		592	
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		0	
7	Other investment income (describe _____)	7		0	
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	0 8a	0	0	
c	Gain or (loss) (attach schedule)	0 8b	0	0	
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	0 8c	0	0	
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including gifts and contributions reported on line 1b)	9a	48,295		
b	Less direct expenses other than fundraising expenses	9b	0		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		48,295	
10a	Gross sales of inventory, less returns and allowances	10a	0		
b	Less cost of goods sold	10b	0		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		0	
11	Other revenue (from Part VII, line 103)	11		0	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		608,683	
13	Program services (from line 44, column (B))	13		451,671	
14	Management and general (from line 44, column (C))	14		64,023	
15	Fundraising (from line 44, column (D))	15		72,518	
16	Payments to affiliates (attach schedule)	16		0	
17	Total expenses. Add lines 16 and 44, column (A)	17		588,212	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		20,471	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		262,242	
20	Other changes in net assets or fund balances (attach explanation)	20		0	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		282,713	

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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 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22a	0	0	
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	0	0	
23	Specific assistance to individuals (attach schedule)	23	0	0	
24	Benefits paid to or for members (attach schedule)	24	0		
25 a	Compensation of current officers, directors, key employees, etc listed in Part V-A (attach schedule)	25a	42,500	38,250	4,250
b	Compensation of former officers, directors, key employees, etc listed in Part V-B (attach schedule)	25b	19,392	17,453	1,939
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	26	150,781	104,987	16,190
27	Pension plan contributions not included on lines 25a, b, and c	27	0		
28	Employee benefits not included on lines 25a - 27	28	20,406	14,978	2,388
29	Payroll taxes	29	26,397	19,863	2,875
30	Professional fundraising fees	30	0		
31	Accounting fees	31	0		
32	Legal fees	32	0		
33	Supplies	33	8,536	4,096	2,707
34	Telephone	34	5,641	2,542	3,012
35	Postage and shipping	35	8,237	260	1,853
36	Occupancy	36	69,800	62,036	3,446
37	Equipment rental and maintenance	37	5,540	4,017	1,299
38	Printing and publications	38	9,714	0	523
39	Travel	39	678	68	587
40	Conferences, conventions, and meetings	40	3,042	1,502	1,500
41	Interest	41	0		
42	Depreciation, depletion, etc (attach schedule)	42	16,556	14,900	828
43	Other expenses not covered above (itemize)				
a	See attached statement	43a	200,992	166,719	20,626
b		43b	0	0	0
c		43c	0	0	0
d		43d	0	0	0
e		43e	0	0	0
f		43f	0	0	0
g		43g	0	0	0
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	588,212	451,671	64,023

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 \$ 0, (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? <input type="checkbox"/> See attached	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<p>a See attached description of program services</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	451,671
<p>b</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>c</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>d</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	0
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) <input type="checkbox"/></p>	451,671

Part IV Balance Sheets (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
Assets	45	Cash—non-interest-bearing		43,269	45	124,978
	46	Savings and temporary cash investments		76,403	46	27,115
	47 a	Accounts receivable	47a	0		
	b	Less allowance for doubtful accounts	47b	0	47c	0
	48 a	Pledges receivable	48a	0		
	b	Less allowance for doubtful accounts	48b	0	48c	0
	49	Grants receivable		26,653	49	32,039
	50 a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		0	50a	0
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51 a	Other notes and loans receivable (attach schedule)				
	b	Less allowance for doubtful accounts	51b	0	51c	0
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		17,234	53	16,881
	54 a	Investments—publicly-traded securities	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	4,850	54a	5,673
	b	Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54b	0
	55 a	Investments—land, buildings, and equipment basis				
	b	Less accumulated depreciation (attach schedule)	55b	0	55c	0
	56	Investments—other (attach schedule)		0	56	0
	57 a	Land, buildings, and equipment basis		268,985		
b	Less accumulated depreciation (attach schedule)	57b	187,416	57c	81,569	
58	Other assets, including program-related investments (describe <input type="checkbox"/> _____)		0	58	0	
59	Total assets (must equal line 74) Add lines 45 through 58		266,533	59	288,255	
Liabilities	60	Accounts payable and accrued expenses		4,291	60	5,542
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0
	64 a	Tax-exempt bond liabilities (attach schedule)		0	64a	0
	b	Mortgages and other notes payable (attach schedule)		0	64b	0
	65	Other liabilities (describe <input type="checkbox"/> Line of credit _____)		0	65	0
66	Total liabilities. Add lines 60 through 65		4,291	66	5,542	
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		47,808	67	24,800
	68	Temporarily restricted		214,434	68	257,913
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		262,242	73	282,713	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		266,533	74	288,255	

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	608,683
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify)	b4	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	608,683
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify)	d2	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12) Add lines c and d		e	608,683

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

a	Total expenses and losses per audited financial statements		a	588,212
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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	588,212
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	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17) Add lines c and d		e	588,212

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
Name KATHREINE J RA Str 4750 N SHERIDAN City CHICAGO ST IL ZIP 60640	Title E DIRECTOR Hr/WK 40	42,500	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

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

		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 12		
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	X
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 the organization? See the instructions for the definition of "related organization" If "Yes," attach a statement that includes the information described in the instructions	75c	X
d	Does the organization have a written conflict of interest policy?	75d	X

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.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name <u>GAIL K RUSSELL</u> Str <u>4750 N SHERIDAN RD</u> City <u>CHICAGO</u> ST <u>IL</u> ZIP <u>60640</u>	0	19,392	0	0
Name <u>See attached list</u> Str _____ City _____ ST _____ ZIP _____	0	0	0	0
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				

Part VI Other Information (See the instructions)

		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
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	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
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?	80a	X
b	If "Yes," enter the name of the organization ▶ _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct and indirect political expenditures (See line 81 instructions) ▶ 0	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III).		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b N/A		
85 a	<i>501(c)(4), (5), or (6) organizations</i> Were substantially all dues nondeductible by members?		X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		X
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)		0
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
	85h		
86 a	<i>501(c)(7) orgs.</i> 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 a	<i>501(c)(12) orgs.</i> 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 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89 a	<i>501(c)(3) organizations</i> Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> section 4912 <input type="checkbox"/> section 4955 <input type="checkbox"/>		
b	<i>501(c)(3) and 501(c)(4) orgs.</i> 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		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/>		
e	<i>All organizations</i> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
	89e		
f	<i>All organizations</i> Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
	89f		
g	<i>For supporting organizations and sponsoring organizations maintaining donor advised funds</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	10
91 a	The books are in care of <input type="checkbox"/> Name kathrine Ragner Telephone no <input type="checkbox"/> (773) 728-1014 Located at <input type="checkbox"/> 4750 N SHERIDAN RD City ST IL ZIP + 4 <input type="checkbox"/> 60640		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <input type="checkbox"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

Part VI Other Information (continued)

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 X

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

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	1,402	
96 Dividends and interest from securities			514	592	
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 _____		0		0	0
b _____		0		0	0
c _____		0		0	0
d _____		0		0	0
e _____		0		0	0
104 Subtotal (add columns (B), (D), and (E))		0		1,994	0
105 Total (add line 104, columns (B), (D), and (E))					1,994

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
103	

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13)

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

N/A	
Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				0

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

N/A	
Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				0

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

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

Please Sign Here

Signature of officer: *[Handwritten Signature]* Date: 11/7/07

Type or print name and title: GAIL RUSSELL KATHERINE RAGNAR Exec Director

Paid Preparer's Use Only

Preparer's signature: *[Handwritten Signature]* Date: 11/7/2007

Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: MIRZA BAIG & COMPANY 333 N MICHIGAN AVE, CHICAGO, IL 60601

Preparer's SSN or PTIN (See Gen Inst X): 36-4211016

Phone no: (312) 236-2077

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

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

Name of the organization
SARAH'S CIRCLE

Employer identification number
36-3043662

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
N/A				
Total number of other employees paid over \$50,000 ▶		0		

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		
Total number of others receiving over \$50,000 for professional services ▶		0

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		
Total number of other contractors receiving over \$50,000 for other services ▶		0

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

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)		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a	Sale, exchange, or leasing of property?		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)?		X
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)		
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		X
c	Did the organization make a distribution to a donor, donor advisor, or related person?		X
d	Enter the total number of donor advised funds owned at the end of the tax year	►	_____
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	►	_____
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	►	_____
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	►	_____

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total	
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	606,689	505,031	442,241	428,033	1,981,994	
16 Membership fees received					0	
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					0	
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	1,402	742	784	2,742	5,670	
19 Net income from unrelated business activities not included in line 18					0	
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0	
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					0	
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets			1,241	1,325	2,566	
23 Total of lines 15 through 22	608,091	505,773	444,266	432,100	1,990,230	
24 Line 23 minus line 17	608,091	505,773	444,266	432,100	1,990,230	
25 Enter 1% of line 23	6,081	5,058	4,443	4,321		
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a	39,805
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b	
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c	1,990,230
d Add Amounts from column (e) for lines 18 <u>5,670</u> 19 _____					26d	8,236
22 <u>2,566</u> 26b _____					26e	1,981,994
e Public support (line 26c minus line 26d total)					26e	1,981,994
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f	99.59%
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					
(2005) _____ (2004) _____ (2003) _____ (2002) _____						
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year						
(2005) _____ (2004) _____ (2003) _____ (2002) _____						
c Add Amounts from column (e) for lines 15 _____ 16 _____					27c	0
17 _____ 20 _____ and line 27b total _____					27d	0
d Add Line 27a total _____ and line 27b total _____					27e	0
e Public support (line 27c total minus line 27d total)					27e	0
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g	0 00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h	0 00%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15						

Part V Private School Questionnaire (See page 9 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) ----- -----	32d	
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----	33h	
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

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

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

N/A

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

Limits on Lobbying Expenditures

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

		(a) Affiliated group totals	(b) To be completed for all electing organizations												
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)														
37	Total lobbying expenditures to influence a legislative body (direct lobbying)														
38	Total lobbying expenditures (add lines 36 and 37)	0	0												
39	Other exempt purpose expenditures														
40	Total exempt purpose expenditures (add lines 38 and 39)	0	0												
41	Lobbying nontaxable amount Enter the amount from the following table— <table border="0" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">If the amount on line 40 is—</td> <td style="width: 50%;">The lobbying nontaxable amount is—</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is—	The lobbying nontaxable amount is—	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 40 is—	The lobbying nontaxable amount is—														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41)	0	0												
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	0	0												
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	0	0												

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45	Lobbying nontaxable amount				0
46	Lobbying ceiling amount (150% of line 45(e))				0
47	Total lobbying expenditures				0
48	Grassroots nontaxable amount				0
49	Grassroots ceiling amount (150% of line 48(e))				0
50	Grassroots lobbying expenditures				0

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0

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

Line 1 (990) - Public Support and Contributions

	Cash	Non Cash
Line 1a - Contributions to Donor Advised Funds	40,000	
Line 1b - Direct public support		
1 Contributions	233,911	140,553
2 Membership dues and assessments (contributions from the public)		
3 Commercial co-venture		
4 Special events contributions (Line 9 - Special Events)	0	
5 Bequest	17,716	
6		
7		
8		
9		
10 Total	251,627	140,553
Line 1c - Indirect public support		
Line 1d - Government contributions (grants)	126,214	

Line 9 (990) - Special Events and Activities

	Event A	Event B	Event C	All others	Totals
1 Special event name	special events				
1a Number of special events	1				
2 Gross receipts	48,295				48,295
3 Less contributions					0
4 Gross revenue	48,295	0	0	0	48,295
5 Less direct expenses					0
6 Net income or (loss)	48,295	0	0	0	48,295

Line 43 (990) - Other Deductions

200,992

166,719

20,626

13,647

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
1 Utilities	5,617	5,055	281	281
2 Food Supplies	14,701	14,701	0	0
3 Client Assistance	6,347	6,347	0	0
4 Insurance	8,764	7,864	450	450
5 Volunteers Appreciation	453	453	0	0
6 Professional fees	14,103	4,973	5,764	3,366
7 Bank charges	1,061	0	1,061	0
8 Equipment less than 500	5,359	828	4,531	0
9 Procurement	630	0	630	0
10 Registration	2,523	0	0	2,523
11 Payroll processing	881	0	881	0
12 In-kind expenses	140,553	126,498	7,028	7,027
13	0			
14	0			
15	0			
16	0			
17	0			
18	0			
19	0			
20	0			

Line 54a (990) - Investments - Publicly-Traded Securities

Check one box below to indicate how securities are reported

Cost

End of year market value (FMV)

Securities at end of year		Number of shares/ face value	Value at time of donation	Beginning balance book value FMV	Ending balance book value FMV
1	MUTUAL FUNDS		0	4,850	5,673
2				0	0
3				0	0
4				0	0
5				0	0
6				0	0
7				0	0
8				0	0
9				0	0
10				0	0
11				0	0
12				0	0
13				0	0
14				0	0
15				0	0
16				0	0
17				0	0
18				0	0
19				0	0
20				0	0

Line 57 (990) - Land, Buildings, and Equipment

Land (net of any amortization)		Land (net of any amortization)			
		Beginning		End	
1					
2					
3					
4					
5					
6	Total land (net of any amortization)			0	0

Buildings and equipment		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	Furniture & Equipment	53,255	53,256	48,614	50,788
8	Leasedhold improvements	215,729	215,729	122,246	136,628
9					
10					
11					
12					
13					
14					
15					
16					
17	Total buildings and equipment	268,984	268,985	170,860	187,416
18	Buildings and equipment (less accumulated depreciation)			98,124	81,569
19	Total land, buildings and equipment			98,124	81,569

Category or Item		Cost/Other Basis	Accumulated Depreciation	Book Value
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Total	0	0	0

Line 22 (Sch A (990/990-EZ)) - Other Income

Description	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total	
1			1,241	1,325	2,566	
2					0	
3					0	
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	
	Total of Other Income	0	0	1,241	1,325	2,566

Line 10c (990) - Gross Profit from Sale of Inventory

0 0 0

	Category	Gross Sales	Cost of Goods Sold	Net
1				0
2				0
3				0
4				0
5				0
6				0
7				0
8				0
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0

SARAH'S CIRCLE
For the year ended June 30, 2007
36-3043662

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

Name and Address	Title and Average hours per week devoted to Position	Compensation	Contributions to Employee benefit Plans	Expense account and other allowances
Mandy J Zaransky PO Box 408061 Chicago, IL 60640	Co-President 2 5 hours	0	0	0
Megan Sampson PO Box 408061 Chicago, IL 60640	Co-President & Chair Finance & Fundraising 2 5 hours	0	0	0
Paul Vogel PO Box 408061 Chicago, IL 60640	Treasurer 2 5 hours	0	0	0
Marie Smith PO Box 408061 Chicago, IL 60640	Secretary 2 5 hours	0	0	0
Afri Alelani Atiba PO Box 408061 Chicago, IL 60640	Chair Program, Personnel & Facilities 2 5 hours	0	0	0
Christopher E Jhonson PO Box 408061 Chicago, IL 60640	Director 2 5 hours	0	0	0
Judy Krueger PO Box 408061 Chicago, IL 60640	Director 2 5 hours	0	0	0

FOR THE YEAR ENDED JUNE 30, 2007
36 - 3043662

Form 990, Part III Organizations Primary Purpose

To provide a drop-in for homeless, transient, and low-income women Also to provide meals and social services

Form 990, Description of program services one

Drop-in center offering a welcoming, supportive, non-intrusive safe refuge for women who are homeless, transient and of low income services include Case Management and Advocacy, Social activities, counseling referrals, on-site services from outside providers, support groups, four hot meals per week, snacks, showers and bathroom facilities, personal hygiene items, laundry, clothing, mailing, address, telephone, lockers and computer lab In FY ended 6/30/2007 343 individual women were served