

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2006

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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 JUL 1, 2006 and ending JUN 30, 2007

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: CORNERSTONE COMMUNITY OUTREACH. D Employer identification number: 36-3670992. E Telephone number: 773-506-4904. F Accounting method: Accrual.

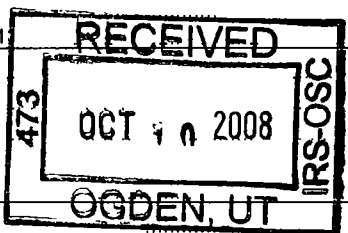
G Website: WWW.CCOLIFE.ORG. H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? No. H(b) If "Yes," enter number of affiliates: N/A. H(c) Are all affiliates included? N/A. H(d) Is this a separate return filed by an organization covered by a group ruling? No. I Group Exemption Number: N/A.

J Organization type: 501(c)(03). 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. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 2,246,747.

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include contributions, program service revenue, membership dues, interest on savings, dividends, gross rents, other investment income, gross amount from sales of assets, special events, gross sales of inventory, other revenue, program services, management and general, fundraising, payments to affiliates, and total expenses. Total revenue is 2,246,747. Total expenses is 2,471,431. Net assets at end of year is <102,360.>



SCANNED OCT 20 2008

B Gift

**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
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	84,530.	76,077.	8,453.	0.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
<b>c</b> 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)	70,000.	70,000.		
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	799,508.	743,647.	55,861.	
<b>27</b> Pension plan contributions not included on lines 25a, b, and c				
<b>28</b> Employee benefits not included on lines 25a - 27	325,408.	324,866.	542.	
<b>29</b> Payroll taxes	92,161.	86,019.	6,142.	
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees	18,090.		18,090.	
<b>32</b> Legal fees	2,815.		2,815.	
<b>33</b> Supplies	60,376.	55,024.	5,214.	138.
<b>34</b> Telephone	27,469.	26,857.	609.	3.
<b>35</b> Postage and shipping	4,368.		709.	3,659.
<b>36</b> Occupancy	117,046.	116,513.	523.	10.
<b>37</b> Equipment rental and maintenance	80,665.	79,715.	949.	1.
<b>38</b> Printing and publications	4,834.			4,834.
<b>39</b> Travel	10,915.	10,279.	636.	
<b>40</b> Conferences, conventions, and meetings	6,671.	1,964.	4,707.	
<b>41</b> Interest	232,194.	223,303.	8,891.	
<b>42</b> Depreciation, depletion, etc. (attach schedule)	169,872.	168,360.	1,444.	68.
<b>43</b> Other expenses not covered above (itemize)				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
<b>g</b> <b>SEE STATEMENT 2</b>	364,509.	323,946.	40,547.	16.
<b>44</b> Total functional expenses Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,471,431.	2,306,570.	156,132.	8,729.

Joint Costs. Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ,  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

**Part 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? ► <b>SEE STATEMENT 3</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
<b>a TRANSITIONAL &amp; EMERGENCY SHELTERS-PROVIDE FAMILIES WITH UP TO 120 DAYS OF SHELTER &amp; SERVICES INCLUDING MEALS, COUNSELING, CLOTHING, JOB TRAINING, DAYCARE &amp; LIFE SKILL TRAINING. SERVES 75 PEOPLE DAILY &amp; 340 ANNUALLY.</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>1,284,388.</b>
<b>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.</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>249,091.</b>
<b>c WARMING CENTERS-PROVIDE EVENING ACCOMODATIONS &amp; MEALS TO SINGLE HOMELESS ADULTS. SERVES APPROXIMATELY 100 MEN AND 100 WOMEN DAILY.</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>130,956.</b>
<b>d OTHER PROGRAMS INCLUDE COMPUTER &amp; LIFE SKILLS , A FREE STORE, SUBSIDIZED SENIOR HOUSING, "BROTHAS &amp; SISTAS" WHICH PROVIDES AFTER SCHOOL ACTIVITIES &amp; TUTORING FOR AREA YOUTH, AND CHILD CARE.</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>642,135.</b>
<b>e Other program services (attach schedule)</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<b>2,306,570.</b>
<b>f Total of Program Service Expenses (should equal line 44, column (B), Program services)</b>	<b>2,306,570.</b>

Form **990** (2006)

**Part IV Balance Sheets** (See the instructions)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year	(B) End of year
<b>Assets</b>	45 Cash - non-interest-bearing	8,159.	45 45,406.
	46 Savings and temporary cash investments		46
	47 a Accounts receivable	47a 54,444.	
	b Less allowance for doubtful accounts	47b	47c 54,444.
	48 a Pledges receivable	48a 13,118.	
	b Less allowance for doubtful accounts	48b	48c 13,118.
	49 Grants receivable	111,902.	49 160,457.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	2,752.	53 11,699.
	54 a Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
55 a Investments - land, buildings, and equipment basis	55a		
b Less accumulated depreciation	55b	55c	
56 Investments - other		56	
57 a Land, buildings, and equipment basis	57a 5,213,693.		
b Less accumulated depreciation <b>STMT 4</b>	57b 1,575,686.	3,797,832.	57c 3,638,007.
58 Other assets, including program-related investments (describe <input type="checkbox"/> <b>SEE STATEMENT 5</b> )	47,595.	58 161,068.	
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58	4,019,125.	59 4,084,199.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	324,230.	60 300,363.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable <b>STMT 6 STMT 7</b>	2,808,702.	64b 3,061,895.
	65 Other liabilities (describe <input type="checkbox"/> <b>SEE STATEMENT 8</b> )	840,622.	65 824,301.
66 <b>Total liabilities.</b> Add lines 60 through 65	3,973,554.	66 4,186,559.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>		
	67 Unrestricted	45,571.	67 <137,595.>
	68 Temporarily restricted		68 35,235.
	69 Permanently restricted		69
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>		
	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 <b>Total net assets or fund balances</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	45,571.	73 <102,360.>	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	4,019,125.	74 4,084,199.	

Form 990 (2006)



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

Table with 4 columns: Question, Yes, No. Rows include: 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings (12); 75b 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? (SEE STATEMENT 11); 75c 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 STATEMENT 11); 75d Does the organization have a written conflict of interest policy? (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)

Table with 5 columns: (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. Row 1 contains 'NONE' in column (A).

Part VI Other Information (See the instructions)

Table with 4 columns: Question, Yes, No. Rows include: 76 Did the organization make a change in its activities or methods of conducting activities? (X); 77 Were any changes made in the organizing or governing documents but not reported to the IRS? (X); 78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? (X); 78b If "Yes," has it filed a tax return on Form 990-T for this year? (N/A); 79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? (X); 80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (X); 80b If "Yes," enter the name of the organization (SEE STATEMENT 10) and check whether it is exempt or nonexempt; 81a Enter direct or indirect political expenditures (See line 81 instructions) (0.); 81b Did the organization file Form 1120-POL for this year? (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 quid pro quo 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?		
	N/A		
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	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		
86	501(c)(7) organizations Enter		
a	Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations Enter		
a	Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		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	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
90 a	List the states with which a copy of this return is filed <u>IL</u>		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	34
91 a	The books are in care of <u>CURT MORTIMER</u> Telephone no. <u>(773) 506-4904</u>		
	Located at <u>4615 N. CLIFTON, CHICAGO, IL</u> ZIP + 4 <u>60640</u>		
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 <u>N/A</u>		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
	91b		

**Part VI Other Information** (continued) Yes No

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

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

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

**Note:** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a CLIENT FEES					31,364.
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	33.	
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 MISCELLANEOUS					888.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		33.	32,252.
105 Total (add line 104, columns (B), (D), and (E))					32,285.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 12

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

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

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

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

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

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

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

Yes No

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

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

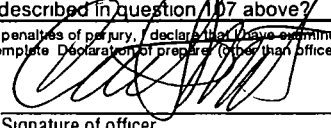
Yes No

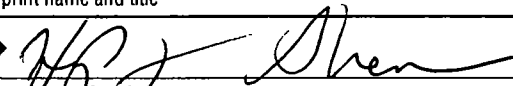
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

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:   
 Date: 8/28/08  
 Type or print name and title: CURT MORTIMER, PRESIDENT

Paid Preparer's Use Only  
 Preparer's signature:   
 Date: 08/27/08  
 Check if self-employed:   
 Preparer's SSN or PTIN (See Gen. Inst. X):  
 Firm's name (or yours if self-employed), address, and ZIP + 4: DESMOND & AHERN, LTD. 10827 S. WESTERN AVENUE CHICAGO, IL 60643-3206  
 EIN:  
 Phone no.: (773) 779-4720

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

**Supplementary Information-(See separate instructions.)**

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

OMB No 1545-0047

**2006**

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 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
NONE				
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
NONE		
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
<b>BULLY &amp; ANDREWS</b> <b>1755 ARMITAGE AVENUE, CHICAGO, IL 60622</b>	<b>ELEVATOR REPAIRS</b>	<b>104,765.</b>
Total number of other contractors receiving over \$50,000 for other services ▶	0	

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (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)? <b>SEE PART V-A, FORM 990</b>	X	
e	Transfer of any part of its income or assets?		X
3	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 )		
a	Did the organization have a section 403(b) annuity plan for its employees?		X
b	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
c	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		
a	Did the organization make any taxable distributions under section 4966?		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
c	Enter the total number of donor advised funds owned at the end of the tax year		N/A
d	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
e	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
f	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

Provide the following information about the supported organizations (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> <span style="float: right;">▶</span>					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,879,632.	2,107,367.	2,316,197.	2,063,968.	8,367,164.
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	16,095.	8,475.	8,944.	12,489.	46,003.
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	1,895,727.	2,115,842.	2,325,141.	2,077,714.	8,414,424.
24 Line 23 minus line 17	1,879,632.	2,107,367.	2,316,197.	2,065,225.	8,368,421.
25 Enter 1% of line 23	18,957.	21,158.	23,251.	20,777.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ 26a 167,368.

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 0.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 8,368,421.

d Add: Amounts from column (e) for lines: 18 1,257. 19 \_\_\_\_\_  
 22 \_\_\_\_\_ 26b \_\_\_\_\_ ▶ 26d 1,257.

e Public support (line 26c minus line 26d total) ▶ 26e 8,367,164.

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f 99.9850%

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**

(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: **N/A**

(2005) (2004) (2003) (2002)

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 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.)

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		

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

**N/A**

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

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

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

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

**4-Year Averaging Period Under Section 501(h)**

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>45</b>	Lobbying nontaxable amount				0.
<b>46</b>	Lobbying ceiling amount (150% of line 45(e))				0.
<b>47</b>	Total lobbying expenditures				0.
<b>48</b>	Grassroots nontaxable amount				0.
<b>49</b>	Grassroots ceiling amount (150% of line 48(e))				0.
<b>50</b>	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
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> 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



2006 DEPRECIATION AND AMORTIZATION REPORT  
FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction in Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	BUILDINGS											
4	BUILDING	VARIESSL		30.00	16	2892248.			2892248.	598,711.		97,164.
5	FURNITURE	VARIESSL		7.00	16	62,700.			62,700.	62,700.		0.
7	LEASEHOLD IMPROVEMENTS	VARIESSL		30.00	16	1684520.			1684520.	552,528.		63,935.
	* 990 PAGE 2 TOTAL BUILDINGS					4639468.		0.	4639468.	1213939.	0.	161,099.
	FURNITURE & FIXTURES											
6	FURNITURE	061307SL		5.00	16	9,272.			9,272.			927.
8	EQUIPMENT	063005SL		5.00	16	174,520.			174,520.	171,520.		3,000.
	* 990 PAGE 2 TOTAL FURNITURE & FIXTURES					183,792.		0.	183,792.	171,520.	0.	3,927.
	MACHINERY & EQUIPMENT											
10	EQUIPMENT	0110107SL		3.00	16	775.			775.			129.
	* 990 PAGE 2 TOTAL MACHINERY & EQUIPMENT					775.		0.	775.	0.	0.	129.
	TRANSPORTATION EQUIPMENT											
2	VEHICLES	VARIESSL		5.00	16	33,140.			33,140.	20,355.		4,334.
	* 990 PAGE 2 TOTAL TRANSPORTATION EQUIPMENT					33,140.		0.	33,140.	20,355.	0.	4,334.
	LAND											
1	LAND	VARIESL				355,947.			355,947.			0.
	* 990 PAGE 2 TOTAL LAND					355,947.		0.	355,947.	0.	0.	0.

628102  
07-28-06

(D) - Asset disposed

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

2006 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 Deprecation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	OTHER											
	9EQUIPMENT	063006SL		5.00	16	571.			571.			383.
	* 990 PAGE 2 TOTAL							0.	571.	0.	0.	383.
	OTHER					571.		0.	571.			
	* GRAND TOTAL 990 PAGE 2 DEPR					5213693.		0.	5213693.	1405814.	0.	169,872.

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

(D) - Asset disposed

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION			AMOUNT
PRIOR PERIOD ADJUSTMENT TO ACCOUNTS PAYABLE			72,340.
PRIOR PERIOD ADJUSTMENT TO CASH			4,413.
TOTAL TO FORM 990, PART I, LINE 20			76,753.

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
AMORTIZATION	10,346.	10,245.	91.	10.	
CLIENT ASSISTANCE	53,438.	53,373.	65.		
PROFESSIONAL FEES	4,553.	3,903.	650.		
DUES AND SUBSCRIPTIONS	4,995.	187.	4,808.		
INSURANCE	64,902.	64,715.	181.	6.	
BANK FEES	29,258.		29,258.		
SENIOR RENT SUBSIDY	121,812.	121,812.			
FOOD	70,758.	69,711.	1,047.		
MISCELLANEOUS	4,447.		4,447.		
TOTAL TO FM 990, LN 43	364,509.	323,946.	40,547.	16.	

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	3
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## EXPLANATION

IMPROVE THE QUALITY OF LIFE FOR DISADVANTAGED, DISPLACED AND UNDER-PRIVILEGED PEOPLE IN THE UPTOWN NEIGHBORHOOD OF CHICAGO.

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.	24,689.	8,451.
BUILDING	2,892,248.	695,875.	2,196,373.
FURNITURE	62,700.	62,700.	0.
FURNITURE	9,272.	927.	8,345.
LEASEHOLD IMPROVEMENTS	1,684,520.	616,463.	1,068,057.
EQUIPMENT	174,520.	174,520.	0.
EQUIPMENT	571.	383.	188.
EQUIPMENT	775.	129.	646.
<b>TOTAL TO FORM 990, PART IV, LN 57</b>	<b>5,213,693.</b>	<b>1,575,686.</b>	<b>3,638,007.</b>

FORM 990 OTHER ASSETS STATEMENT 5

DESCRIPTION	AMOUNT
DEBT ISSUE COSTS NET OF AMORTIZAION	22,478.
DEPOSITS	33,825.
CONSTRUCTION IN PROGRESS	104,765.
<b>TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B</b>	<b>161,068.</b>

FORM 990 MORTGAGES PAYABLE STATEMENT 6

DESCRIPTION	BALANCE DUE
COMMUNITY INVESTMENT CORPORATION	0.
NATIONAL COVENANT PROPERTIES	1,811,895.
NATIONAL COVENANT PROPERTIES	1,250,000.
<b>TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B</b>	<b>3,061,895.</b>

FORM 990	OTHER NOTES AND LOANS PAYABLE	STATEMENT	7
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LENDER'S NAME	TERMS OF REPAYMENT
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BRIDGEVIEW BANK

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
		0.	.00%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
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RELATIONSHIP OF LENDER
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DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	0.

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

FORM 990	OTHER LIABILITIES	STATEMENT	8
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DESCRIPTION	AMOUNT
REFUNDABLE ADVANCE	14,736.
FORGIVABLE LT DEBT-CHGO DEPT OF HOUSING	809,565.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	824,301.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 9  
TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CURT MORTIMER 4615 N. CLIFTON CHICAGO, IL 60640	PRESIDENT 2.00	0.	0.	0.
VICTOR WILLIAMS 4615 N. CLIFTON CHICAGO, IL 60640	VICE PRESIDENT 2.00	0.	0.	0.
NEIL TAYLOR 4615 N. CLIFTON CHICAGO, IL 60640	TREASURER 2.00	0.	0.	0.
RONALD BROWN 4615 N. CLIFTON CHICAGO, IL 60640	SECRETARY 2.00	0.	0.	0.
DAWN MORTIMER 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
JEROME NELSON 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
DICK CONSER 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
TOM CAMERON 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
JOHNNY KING 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
HEATHLYNN BRADFORD 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
ARACELY BOCK 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.

CORNERSTONE COMMUNITY OUTREACH

36-3670992

MICKI GRIFFIN 4615 N. CLIFTON CHICAGO, IL 60640	BOARD MEMBER 1.00	0.	0.	0.
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SANDRA RAMSEY 4615 N. CLIFTON CHICAGO, IL 60640	EXECUTIVE DIRECTOR 40.00	62,500.	22,030.	0.
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TOTALS INCLUDED ON FORM 990, PART V-A		<u>62,500.</u>	<u>22,030.</u>	<u>0.</u>
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FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 10  
PART VI, LINE 80B

<u>NAME OF ORGANIZATION</u>	<u>EXEMPT</u>	<u>NONEXEMPT</u>
JESUS PEOPLE USA CHURCH	X	
FRIENDLY TOWERS	X	

