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**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)

**2003**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2003 calendar year, or tax year beginning and ending

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

**C** Name of organization: **GAMALIEL FOUNDATION**  
 Please use IRS label or print or type See Specific Instructions  
 Number and street (or P O box if mail is not delivered to street address) Room/suite: **203 N. WABASH AVENUE 808**  
 City or town, state or country, and ZIP + 4: **CHICAGO, IL 60601**

**D** Employer identification number: **36-2657863**

**E** Telephone number: **(312) 357-2639**

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

**G** Website: ▶ **WWW.GAMALIEL.ORG**

**J** Organization type (check only one) ▶  501(c) ( 03 ) ◀ (insert no)  4947(a)(1) or  527

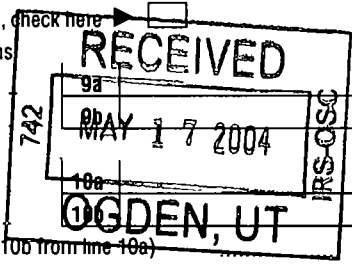
**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,524,533.**

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

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	641,859.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 641,859. noncash \$ )	1d	641,859.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	877,314.		
	3	Membership dues and assessments	3	3,450.		
	4	Interest on savings and temporary cash investments	4	1,910.		
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶ )	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b	Less: cost or other basis and sales expenses	8a			
	c	Gain or (loss) (attach schedule)	8b			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
Revenue	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
Revenue	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
Revenue	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
	11	Other revenue (from Part VII, line 103)	11			
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,524,533.		
Expenses	13	Program services (from line 44, column (B))	13	1,508,673.		
	14	Management and general (from line 44, column (C))	14	302,672.		
	15	Fundraising (from line 44, column (D))	15	57,931.		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17	1,869,276.		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<344,743.>		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,078,851.		
	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	734,108.		



SCANNED JUN 04 2004

**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 Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	105,000.	26,250.	10,500.
26	Other salaries and wages	26	412,006.	58,480.	22,891.
27	Pension plan contributions	27	37,235.	28,671.	2,606.
28	Other employee benefits	28			
29	Payroll taxes	29	39,171.	30,162.	2,742.
30	Professional fundraising fees	30			
31	Accounting fees	31	25,758.	19,834.	1,803.
32	Legal fees	32			
33	Supplies	33	22,514.	17,336.	1,576.
34	Telephone	34	55,299.	42,581.	3,871.
35	Postage and shipping	35	8,777.	6,759.	614.
36	Occupancy	36	26,688.	20,550.	1,868.
37	Equipment rental and maintenance	37	8,862.	6,824.	620.
38	Printing and publications	38	2,158.	1,662.	151.
39	Travel	39	110,066.	96,817.	4,015.
40	Conferences, conventions, and meetings	40	665,163.	664,414.	749.
41	Interest	41	1,870.	1,870.	
42	Depreciation, depletion, etc (attach schedule)	42	134.	104.	9.
43	Other expenses not covered above (itemize):				
	a _____	43a			
	b _____	43b			
	c _____	43c			
	d _____	43d			
	e SEE STATEMENT 1	43e	348,575.	174,074.	4,665.
44	<small>Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15</small>	44	1,869,276.	1,508,673.	57,931.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_;

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose?  SEE STATEMENT 2

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

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

a	SEE STATEMENT 3				
			(Grants and allocations \$ _____)		628,217.
b	SEE STATEMENT 4				
			(Grants and allocations \$ _____)		880,456.
c					
			(Grants and allocations \$ _____)		
d					
			(Grants and allocations \$ _____)		
e	Other program services (attach schedule)		(Grants and allocations \$ _____)		
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)				1,508,673.

**Part IV Balance Sheets**

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

		(A) Beginning of year	(B) End of year
<b>Assets</b>	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	79,959.	46 392,926.
	47 a Accounts receivable	47a 195,361.	
	b Less: allowance for doubtful accounts	47b 30,000.	47c 87,053.
	48 a Pledges receivable	48a 300,240.	
	b Less: allowance for doubtful accounts	48b 15,000.	48c 1,112,000.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	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	5,610.	53 9,845.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	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 3,027.		
b Less: accumulated depreciation STMT 5	57b 1,390.	57c 87.	
58 Other assets (describe <input type="checkbox"/> DEPOSITS )		58 10,000.	
<b>59 Total assets (add lines 45 through 58) (must equal line 74)</b>	<b>1,294,709.</b>	<b>59 884,829.</b>	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	170,858.	60 150,721.
	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 STMT 6	45,000.	64b
	65 Other liabilities (describe <input type="checkbox"/> )		65
<b>66 Total liabilities (add lines 60 through 65)</b>	<b>215,858.</b>	<b>66 150,721.</b>	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	<33,149.>	67 <34,036.>
	68 Temporarily restricted	1,112,000.	68 768,144.
	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
	<b>73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)</b>	<b>1,078,851.</b>	<b>73 734,108.</b>
	<b>74 Total liabilities and net assets / fund balances (add lines 66 and 73)</b>	<b>1,294,709.</b>	<b>74 884,829.</b>

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

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

<b>a</b> Total revenue, gains, and other support per audited financial statements	<b>a</b> 1,524,533.
<b>b</b> Amounts included on line a but not on line 12, Form 990	
(1) Net unrealized gains on investments \$	
(2) Donated services and use of facilities \$	
(3) Recoveries of prior year grants \$	
(4) Other (specify) \$	
Add amounts on lines (1) through (4)	<b>b</b> 0.
<b>c</b> Line a minus line b	<b>c</b> 1,524,533.
<b>d</b> Amounts included on line 12, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify) \$	
Add amounts on lines (1) and (2)	<b>d</b> 0.
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b> 1,524,533.

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

<b>a</b> Total expenses and losses per audited financial statements	<b>a</b> 1,869,276.
<b>b</b> Amounts included on line a but not on line 17, Form 990:	
(1) Donated services and use of facilities \$	
(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify) \$	
Add amounts on lines (1) through (4)	<b>b</b> 0.
<b>c</b> Line a minus line b	<b>c</b> 1,869,276.
<b>d</b> Amounts included on line 17, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify) \$	
Add amounts on lines (1) and (2)	<b>d</b> 0.
<b>e</b> Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b> 1,869,276.

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
GREG GALLUZZO 2027 WEST 22ND PLACE CHICAGO, ILLINOIS 60608 SEE ATTACHED	EXECUTIVE DIRECTOR 40 HRS/WEEK	105,000.	0.	0.
		0.	0.	0.

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

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		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.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	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? If "Yes," attach a statement		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?		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 or indirect political expenditures See line 81 instructions <input type="checkbox"/> 81a 0.		
b	Did the organization file Form 1120-POL for this year?		X
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) <input type="checkbox"/> 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? N/A		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? N/A		
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? N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members <input type="checkbox"/> 85c N/A		
d	Section 162(e) lobbying and political expenditures <input type="checkbox"/> 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="checkbox"/> 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="checkbox"/> 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 <input type="checkbox"/> 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities <input type="checkbox"/> 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders <input type="checkbox"/> 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.) <input type="checkbox"/> 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0., section 4912 <input type="checkbox"/> 0., section 4955 <input type="checkbox"/> 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		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"/> 0.		
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0.		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> ILLINOIS		
b	Number of employees employed in the pay period that includes March 12, 2003 <input type="checkbox"/> 90b 6		
91	The books are in care of <input type="checkbox"/> MR. GREGORY A. GALLUZZO Telephone no <input type="checkbox"/> (312) 357-2639		
	Located at <input type="checkbox"/> 203 N. WABASH, SUITE 808, CHICAGO, IL ZIP + 4 <input type="checkbox"/> 60601		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92 N/A		

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions)

	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	
<b>93</b> Program service revenue.					
<b>a</b> <u>CONSULTING INCOME</u>					490,883.
<b>b</b> <u>TRAINING FEES</u>					386,431.
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					3,450.
<b>95</b> Interest on savings and temporary cash investments			14	1,910.	
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue.					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))		0.		1,910.	880,764.
<b>105</b> Total (add line 104, columns (B), (D), and (E))					882,674.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 7

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

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

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

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

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

Please Sign Here

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

Signature of officer: Ann E. Smith Date: 5/14/04 Type or print name and title: ANN E. SMITH, PRESIDENT

Paid Preparer's Use Only

Preparer's signature: Samuel Weitz Date: 5/3/04 Check if self-employed:  Preparer's SSN or PTIN: \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4: MANN. WEITZ & ASSOCIATES L.L.C.  
108 WILMOT ROAD, SUITE 110  
DEERFIELD, IL 60015-5109

EIN: \_\_\_\_\_ Phone no: (847) 267-3400

**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 Section 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

**2003**

Name of the organization **GAMALIEL FOUNDATION** Employer identification number **36 2657863**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JOHN NORTON ----- 203 N. WABASH, STE 808, CHICAGO, IL	DIR. TRNG PGM 40 HRS WK	75,000.		
MARY GONZALES ----- 203 N. WABASH, STE 808, CHICAGO, IL	W. COAST DIR. 40 HRS WK	85,002.		
A GARCIA-ASHLEY ----- 203 N. WABASH, STE 808, CHICAGO, IL	E. COAST DIR. 40 HRS WK	75,000.		
----- ----- -----				
Total number of other employees paid over \$50,000 ▶	0			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- ----- ----- ----- ----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	



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

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) <b>SEE STATEMENT 8</b>		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	2d	X
e Transfer of any part of its income or assets?	2e	X
<b>3 a</b> Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments )	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
<b>4</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

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

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school. Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A )
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 11b  A community trust. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

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

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions )

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	511,510.	659,610.	486,237.	448,000.	2,105,357.
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	788,516.	734,351.	722,208.	679,952.	2,925,027.
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	1,982.	1,629.	1,158.	1,329.	6,098.
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	3,405.	5,742.	1,750.	1,900.	12,797.
23 Total of lines 15 through 22	1,305,413.	1,401,332.	1,211,353.	1,131,181.	5,049,279.
24 Line 23 minus line 17	516,897.	666,981.	489,145.	451,229.	2,124,252.
25 Enter 1% of line 23	13,054.	14,013.	12,114.	11,312.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 42,485.
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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 282,090.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 2,124,252.
d Add: Amounts from column (e) for lines 18 6,098. 19 12,797. 22 282,090.					26d 300,985.
e Public support (line 26c minus line 26d total)					26e 1,823,267.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 85.8310%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
c Add: Amounts from column (e) for lines 15 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 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

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

N/A

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

		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
<hr/> <hr/> <hr/>			
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>	
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	<b>32d</b>	
<hr/> <hr/>			
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?	<b>33a</b>	
<b>b</b>	Admissions policies?	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff?	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance?	<b>33d</b>	
<b>e</b>	Educational policies?	<b>33e</b>	
<b>f</b>	Use of facilities?	<b>33f</b>	
<b>g</b>	Athletic programs?	<b>33g</b>	
<b>h</b>	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	<b>33h</b>	
<hr/> <hr/>			
<b>34 a</b>	Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>	
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	<b>34b</b>	
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	<b>35</b>	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 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

**Limits on Lobbying Expenditures**

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

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

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

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

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
<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 12 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



2003 DEPRECIATION AND AMORTIZATION REPORT  
FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
6	MACHINERY & EQUIPMENT COMPUTER	060499SL		5.00	16	1,343.			1,343.	1,256.		87.
7	COMPUTER * 990 PAGE 2 TOTAL MACHINERY & EQUIPMENT * GRAND TOTAL 990 PAGE 2 DEPR	120903SL		3.00	16	1,684. 3,027. 3,027.		0. 0.	1,684. 3,027. 3,027.	1,256. 1,256.	0. 0.	47. 134. 134.

FORM 990	OTHER EXPENSES			STATEMENT 1
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSURANCE	60,981.	46,955.	9,757.	4,269.
BAD DEBT EXPENSE	81,153.		81,153.	
BANK AND PAYROLL FEES	3,129.	2,409.	501.	219.
CONTRIBUTIONS	650.	650.		
SENIOR STAFF STIPEND	121,453.	121,453.		
OTHER EXPENSE	3,534.	2,607.	925.	2.
SUPPORT TO CLIENT ORGANIZATIONS	77,675.		77,500.	175.
<b>TOTAL TO FM 990, LN 43</b>	<b>348,575.</b>	<b>174,074.</b>	<b>169,836.</b>	<b>4,665.</b>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 2  
PART III

## EXPLANATION

TO ASSIST COMMUNITIES, THROUGH LEADERSHIP TRAINING, IN DEVELOPING  
ORGANIZATIONS TO ADDRESS AND RESOLVE COMMON PROBLEMS

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 3

DESCRIPTION OF PROGRAM SERVICE ONE

PROVIDE ONGOING CONSULTATIONS TO COMMUNITY ORGANIZATIONS INCLUDING VISITS, MEETINGS AND PARTICIPATION IN THE STRATEGIC PLANNING PROCESS OF EACH CLIENT ORGANIZATION. 33 ORGANIZATIONS WERE PROVIDED SUCH CONSULTATION DURING 2003.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	_____	628,217.
	=====	=====

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 4

DESCRIPTION OF PROGRAM SERVICE TWO

PUT ON TRAINING PROGRAMS TO ASSIST COMMUNITIES IN DEVELOPING ORGANIZATIONS TO ADDRESS SOCIETY'S PROBLEMS, FIND SOLUTIONS AND BECOME ACTIVE IMPLEMENTING THOSE SOLUTIONS. 13 TRAINING COURSES WERE ATTENDED BY APPROXIMATELY 1900 PARTICIPANTS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B	_____	880,456.
	=====	=====

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER	1,343.	1,343.	0.
COMPUTER	1,684.	47.	1,637.
TOTAL TO FORM 990, PART IV, LN 57	3,027.	1,390.	1,637.
	=====	=====	=====



FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 6

LENDER'S NAME METROPOLITAN BANK & TRUST  
 TERMS OF REPAYMENT INTEREST PAID MONTHLY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
11/20/96	11/20/04	30,000.	6.50%

SECURITY PROVIDED BY BORROWER ALL ASSETS  
 PURPOSE OF LOAN OPERATING FUNDS

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	0.

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

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 7

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	TO ASSIST COMMUNITIES, THROUGH CONSULTING WITH AND IN DEVELOPING ORGANIZATIONS TO ADDRESS AND RESOLVE COMMON PROBLEMS
93B	TO ASSIST COMMUNITIES, THROUGH LEADERSHIP TRAINING AND IN DEVELOPING ORGANIZATIONS TO ADDRESS AND RESOLVE COMMON PROBLEMS
94	DUES ARE RECEIVED IN EXCHANGE FOR MEMBERSHIP BENEFITS SUCH AS EDUCATION CLASSES

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC,, PART III, LINE 2 STATEMENT 8

SEE PART V, FORM 990

SCHEDULE A OTHER INCOME STATEMENT 9

DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
MISCELLANEOUS	3,405.	5,742.	1,750.	1,900.
TOTAL TO SCHEDULE A, LINE 22	3,405.	5,742.	1,750.	1,900.

MAIL ADDRESS

Steven Jay Blutz	IL	60601	10 Hrs
Chicago	IL	60601	
Delmarie Cobb	IL	60653	10 Hrs
Chicago	IL	60653	
Denis Detzel	IL	60626	10 Hrs
Chicago	IL	60626	
Rev. Larry W. Dorsch	WV	26003	5 Hrs
1			
Gregory A. Galluzzo	IL	60608	5 Hrs
Chicago	IL	60608	
Carol Godwin	IL	60610	10 Hrs
1			
Ed Grossman	IL	60617	
Chicago	IL	60617	

MAIL ADDRESS

John McKnight	IL	60208	5 Hrs
Evanston	IL	60208	
Patricia Nielsen	IL	60093	5 Hrs
1			
Winnetka	IL	60093	
Ann E. Smith	IL	60611	40 + Hrs
1			
Chicago	IL	60611	
Harold Sullivan	IL	60203	5 Hrs
1			
Evanston	IL	60203	

ATTACHMENT TO FORM 990

FE. 2 # 36-2657863