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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)

2008

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 2008 calendar year, or tax year beginning **JULY 01**, 2008, and ending **JUNE 30**, 20 **09**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization CHICAGO REACH FDN	D Employer identification number 36 3978801
		Doing Business As	E Telephone number (773) 252-8989
		Number and street (or P O box if mail is not delivered to street address) Room/suite 3240 W. FRANKLIN BLVD	G Gross receipts \$ 5074583
City or town, state or country, and ZIP + 4 CHICAGO, IL 60624-1511		F Name and address of principal officer: EDWARD NOVAK	

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status: 501(c) (**3**) (insert no) 4947(a)(1) or 527
J Website:
H(c) Group exemption number

K Type of organization Corporation Trust Association Other **L** Year of formation: **1994** **M** State of legal domicile **IL**

Part I Summary

1 Briefly describe the organization's mission or most significant activities: **To provide medical, restorative, social, and supportive services for the elderly in a day-care type facility.**

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	3
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	2
5 Total number of employees (Part V, line 2a)	5	57
6 Total number of volunteers (estimate if necessary)	6	
7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	8780	9280
	9 Program service revenue (Part VIII, line 2g)	4661125	4969712
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	129930	95591
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4799835	5074583
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2033924	2232325
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	1454241	1493127
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	3488165	3725452	
19 Revenue less expenses. Subtract line 18 from line 12	1311670	1349131	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	6199564	7607169
	21 Total liabilities (Part X, line 26)	260919	319393
	22 Net assets or fund balances. Subtract line 21 from line 20	5938645	7287776

Part II Signature Block

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.

Sign Here
 Signature of officer: *Edward G. Novak* Date: **13-10-2010**
 Type or print name and title: **Edward G. Novak**

Paid Preparer's Use Only
 Preparer's signature: _____ Date: _____
 Check if self-employed Preparer's identifying number (see instructions): _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no: () _____

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED APR 29 2010

3/6

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
To arrange the provisions for medical and other care-giving services to the frail elderly who, without the provision of such services, would be eligible for admission to skilled care nursing facilities.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 2916327 including grants of \$ _____) (Revenue \$ 4969712)
Provide medical, restorative, social and supportive care to the frail elderly.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► \$ 2916327 (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 <input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 <input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3 <input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4 <input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5 <input type="checkbox"/>	<input type="checkbox"/>
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6 <input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7 <input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 <input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9 <input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 <input type="checkbox"/>	<input checked="" type="checkbox"/>
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11 <input checked="" type="checkbox"/>	<input type="checkbox"/>
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12 <input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13 <input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the U.S.?	14a <input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I	14b <input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15 <input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16 <input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17 <input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 <input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19 <input type="checkbox"/>	<input checked="" type="checkbox"/>
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20 <input type="checkbox"/>	<input checked="" type="checkbox"/>
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 <input type="checkbox"/>	<input checked="" type="checkbox"/>
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22 <input type="checkbox"/>	<input checked="" type="checkbox"/>
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23 <input checked="" type="checkbox"/>	<input type="checkbox"/>
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.	24a <input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b <input type="checkbox"/>	<input type="checkbox"/>
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c <input type="checkbox"/>	<input type="checkbox"/>
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d <input type="checkbox"/>	<input type="checkbox"/>
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a <input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b <input type="checkbox"/>	<input checked="" type="checkbox"/>
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26 <input type="checkbox"/>	<input checked="" type="checkbox"/>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27 <input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	28c	✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	✓
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	✓
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No checkboxes. Includes sections for Form 1096, Form W-2G, Form W-3, and various organizational compliance questions.

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?		✓
6	Does the organization have members or stockholders? The Linward Foundation.	✓	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? The Linward Foundation	✓	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	✓	
b	Each committee with authority to act on behalf of the governing body?		✓
9a	Does the organization have local chapters, branches, or affiliates?		✓
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	✓	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		✓

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	✓	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	✓	
13	Does the organization have a written whistleblower policy?	✓	
14	Does the organization have a written document retention and destruction policy?	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a	The organization's CEO, Executive Director, or top management official?	✓	
b	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	✓	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		✓
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **ILLINOIS**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶ Joan Lebow, 230 W. Superior St., Suite 500, Chicago, IL 60654**
Thomas Abraham, 3240 W. Franklin Blvd., Chicago, IL 60624

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns				
	b Membership dues				
	c Fundraising events				
	d Related organizations				
	e Government grants (contributions).				
	f All other contributions, gifts, grants, and similar amounts not included above	9280			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▶		9280		
Program Service Revenue	2a Medical care		4969712		
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ▶		4969712		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		95591		
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties ▶				
	6a Gross Rents	(i) Real	(ii) Personal		
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶				
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less: cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss) ▶				
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a				
	b Less: direct expenses b				
	c Net income or (loss) from fundraising events ▶				
	9a Gross income from gaming activities. See Part IV, line 19 a				
b Less: direct expenses b					
c Net income or (loss) from gaming activities ▶					
10a Gross sales of inventory, less returns and allowances a					
b Less: cost of goods sold b					
c Net income or (loss) from sales of inventory ▶					
Miscellaneous Revenue		Business Code			
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d ▶					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		5074583	5065303		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	245000		245000	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1606130	1275371	330759	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	30000	18897	11103	
9 Other employee benefits	216603	165602	51001	
10 Payroll taxes	134592	106155	28437	
11 Fees for services (non-employees):				
a Management				
b Legal	309		309	
c Accounting	12550		12550	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	56970	13215	43755	
14 Information technology				
15 Royalties				
16 Occupancy	276289	276289		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	114		114	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	48560	48560		
23 Insurance	65111	65111		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Dietary expenses	164805	164805		
b Transportation services	484063	484063		
c Purchased services	166538	166538		
d Patient care expenses	67395	67395		
e				
f All other expenses	150423	64326	86097	
25 Total functional expenses. Add lines 1 through 24f	3725452	2916327	809125	
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1	106195	1	710014
	2	5074176	2	5632163
	3		3	
	4	766136	4	1018611
	5		5	
	6		6	
	7		7	
	8		8	
	9	55787	9	83262
	10a	10a 558800		
	b	10b 409145	183806	10c 149655
	11		11	
	12		12	
	13		13	
	14		14	
	15		13464	15 13464
16		6199564	16 7607169	
Liabilities	17	260919	17	319393
	18		18	
	19		19	
	20		20	
	21		21	
	22		22	
	23		23	
	24		24	
	25		25	
	26		260919	26 319393
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27	5926645	27	7275776
	28	12000	28	12000
	29		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30		30	
	31		31	
	32		32	
33	5938645	33	7287776	
34	6199564	34	7607169	

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		<input checked="" type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant?	<input checked="" type="checkbox"/>	
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		<input checked="" type="checkbox"/>
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
b If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support
To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization CHICAGO REACH FDN	Employer identification number 36 ; 3978801
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Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

- The organization is not a private foundation because it is: (Please check only **one** organization.)
- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
 - 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
 - 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
 - 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
 - 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
 - 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
 - 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
 - 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
 - 9 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 exempt 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). (Complete Part III.)
 - 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
 - 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III—Functionally integrated
 - d Type III—Other
 - e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) **12** _____

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	_____ %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	_____ %

16a 33 1/3 % support test—2008. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3 % support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4325	6499	5800	8780	9280	34684
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	4037004	4407937	4350306	4661125	4969712	22426084
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	4041329	4414436	4356106	4669905	4978992	22460768
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	4041329	4414436	4356106	4669905	4978992	22460768
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	39646	95851	131264	129930	95591	492282
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	39646	95851	131264	129930	95591	492282
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						22953050

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	97.9 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	2.1 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3 % support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

b 33 1/3 % support tests—2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Area with horizontal dashed lines for supplemental information.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization: CHICAGO R.E.A.C.H. FDN; Employer identification number: 36-3978801

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include Total number at end of year, Aggregate contributions, Aggregate grants, Aggregate value, and two Yes/No questions about donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Multiple choice and text questions about conservation easements, including a table for 'Held at the End of the Year' with rows 2a, 2b, 2c, and 2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Text questions 1a, 1b, and 2 regarding reporting requirements for art and historical treasures, including revenue and asset amounts.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the year end balance held as:
- a** Board designated or quasi-endowment ▶%
 - b** Permanent endowment ▶%
 - c** Term endowment ▶%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|------------------------------------|-----|----|
| (i) unrelated organizations | | |
| (ii) related organizations | | |
- b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 3b** Yes No
- 4** Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (Investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		70755	33702	37053
d Equipment		397679	318269	79410
e Other		90366	57174	33192
Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				149655

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	5074583
2	Total expenses (Form 990, Part IX, column (A), line 25)	3725452
3	Excess or (deficit) for the year. Subtract line 2 from line 1	1349131
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net). Add lines 4-8	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	1349131

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	5074583
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3 5074583
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5 5074583

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	3725452
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Losses reported on Form 990, Part IX, line 25	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3 3725452
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5 3725452

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2008

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
CHICAGO R E A C H FDN

Employer identification number
36 3978801

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a.

- a** Receive a severance payment or change of control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

	Yes	No
1a		
1b		
2		
3		
4a		✓
4b		✓
4c		✓
5a		✓
5b		✓
6a		✓
6b		✓
7		✓
8		✓

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

CHICAGO R E A C H FDN

Employer identification number

36 : 3978801

Part VI, Section A.

8b: The Foundation has not created any committees that have the authority to act on behalf of the governing body.

10: The return preparer emails a copy of the final version of Form 990 to each Board member before it is filed. Each Board member reviews the Form 990 and advises the Board and the preparer if they have comments or other information they feel is necessary to add to the form.

Part VI, Section B.

12c: Chicago R.E.A.C.H. has a compliance policy which requires officers, directors, trustees and key employees to sign a Conflict of Interest disclosure statement upon election as a member of the Board of Directors or as an Officer.

15a: The member of Chicago R.E.A.C.H. Foundation, the Linward Foundation, annually reviews and approves compensation for Edward Novak, President of the Chicago R.E.A.C.H. Foundation. Members of the Linward Foundation who have a conflict of interest with respect to Mr. Novak's compensation are not involved. To determine compensation, the Linward Foundation uses comparable data for similarly qualified persons in functionally comparable positions at similarly situated organizations. The Linward Foundation has kept records with respect to decisions regarding this compensation arrangement. The year in which this process was last undertaken for the above officer was 2009.

15b: The Board of Directors of Chicago R.E.A.C.H. Foundation annually reviews and approves compensation for officers and key employees of the Chicago R.E.A.C.H. Foundation. Members of the Board of Directors of the Chicago R.E.A.C.H. Foundation who have a conflict of interest with respect to compensation for officers and key employees are not involved. To determine compensation, the Board of Directors of the Chicago R.E.A.C.H. Foundation uses comparable data for similarly qualified persons in functionally comparable positions at similarly situated organizations. The Board of Directors of the Chicago R.E.A.C.H. Foundation has kept records with respect to decisions regarding this compensation arrangement.

The officers and key employees for which this process was used are: - Karen Gricus (key employee)

- Hubert Fernandes (key employee)

The year in which this process was last undertaken for the above key employees was 2009.

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		✓
1b		✓
1c		✓
1d		✓
1e		✓
1f		✓
1g		✓
1h		✓
1i		✓
1j		✓
1k		✓
1l		✓
1m		✓
1n		✓
1o		✓
1p		✓
1q		✓
1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Name of the organization

CHICAGO R.E.A.C.H. FOUNDATION

Employer identification number

36 : 3978801

Part VI, Section C.

19: The Foundation makes its governing documents, conflict of interest policy and financial statements available for public inspection upon request.

Chicago R.E.A.C.H. Foundation

Annual Report

For the Years Ended June 30, 2009 and 2008

*John G. Sotos & Associates LLC
Certified Public Accountants and Business Advisors*

Chicago R.E.A.C.H. Foundation
Annual Report
For the Years Ended June 30, 2009 and 2008

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JOHN G. SOTOS & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

1019 W WISE RD. SUITE 101 SCHAUMBURG, IL 60193
847-524-4720 FAX 847-524-4726

Independent Auditors' Report

To the Board of Directors
Chicago R.E.A.C.H. Foundation

We have audited the accompanying statements of financial position of Chicago R.E.A.C.H. Foundation (a non-profit organization) as of June 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago R.E.A.C.H. Foundation as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the audit of the basic financial statements and we do not express an opinion on such information.



John G. Sotos & Associates LLC
September 29, 2009

Chicago R.E.A.C.H. Foundation
 Statements of Financial Position
 June 30

2009

2008

Assets

Current Assets	Cash and cash equivalents	\$ 6,342,177	\$ 5,180,371
	Accounts receivable	1,018,611	766,136
	Prepaid expenses	83,262	55,787
	Total current assets	7,444,050	6,002,294
Property and Equipment		149,655	183,806
Other Asset	Security deposit	13,464	13,464
Total Assets		\$ 7,607,169	\$ 6,199,564

Liabilities and Net Assets

Current Liabilities	Accounts payable	\$ 184,407	\$ 105,804
	Accrued wages and payroll taxes	57,342	96,272
	Accrued profit sharing plan	-	-
	Accrued vacation	77,644	58,777
	Due to Sacred Heart Hospital	-	66
	Total current liabilities	319,393	260,919
Net Assets	Unrestricted	7,275,776	5,926,645
	Temporarily restricted	12,000	12,000
	Total net assets	7,287,776	5,938,645
Total Liabilities and Net Assets		\$ 7,607,169	\$ 6,199,564

See accompanying notes

Chicago R.E.A.C.H. Foundation
 Statements of Activities
 For the Years Ended June 30

	2009	2008
Unrestricted Net Assets		
Revenue		
Public aid capitation	\$ 4,787,752	\$ 4,488,711
	132,030	133,251
Other patient income	47,752	39,005
Other income	11,458	8,938
Interest income	95,591	129,930
Total revenue	5,074,583	4,799,835
Expenses		
Program services	2,893,430	2,707,151
General and administrative	828,022	773,014
Total expenses	3,721,452	3,480,165
Increase in unrestricted net assets	1,353,131	1,319,670
Temporarily Restricted Net Assets		
Depreciation expense	4,000	8,000
(Decrease) in temporarily restricted net assets	(4,000)	(8,000)
Increase in net assets	1,349,131	1,311,670
Net assets, beginning of year	5,938,645	4,626,975
Net assets, end of year	\$ 7,287,776	\$ 5,938,645

See accompanying notes

Chicago R.E.A.C.H. Foundation

Statements of Cash Flows

For the Years Ended June 30

		2009	2008
Operating Activities	Increase in net assets	\$ 1,349,131	\$ 1,311,670
	Adjustments to reconcile changes in net assets to net cash provided by operating activities		
	Depreciation	48,560	53,612
	Changes in		
	Accounts Receivable	(252,475)	(430,425)
	Prepaid expenses	(27,475)	22,553
	Accounts payable and accrued expenses	78,603	(22,591)
	Accrued wages and payroll taxes	(38,930)	53,364
	Accrued vacation	18,867	14,924
	Net cash provided by operating activities	1,176,281	1,003,107
Investing Activities	Purchase of property and equipment	(14,408)	(26,425)
	Proceeds from sale of property and equipment	-	-
	Net cash applied to investing activities	(14,408)	(26,425)
Financing Activities	Repayments of advances from Sacred Heart Hospital	(66)	(7,380)
	Net cash applied (provided) to financing activities	(66)	(7,380)
	Increase in cash and cash equivalents	1,161,807	969,302
	Cash and cash equivalents, beginning of year	5,180,370	4,211,069
	Cash and cash equivalents, end of year	\$ 6,342,177	\$ 5,180,371
Supplemental Disclosures of Cash Flow Information			
	Interest paid	\$ 114	\$ 516

See accompanying notes.

Note 1 Summary of Significant Accounting Policies

Nature of Activities

Chicago R.E.A.C.H. Foundation (the "Foundation") is an Illinois Not-for-Profit Corporation formed on September 27, 1994, located in Chicago, Illinois. The Foundation's mission is to arrange the provisions for medical and other care giving services to the frail elderly who, without the provision of such services, would be eligible for admission to skilled care nursing facilities.

Contributions

Contributions, which are recognized when the donor makes a promise to give to the Foundation, are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Property and Equipment

Property and equipment are capitalized at cost or, if donated, at their estimated fair value. Donated amounts are reported as unrestricted support unless the donor has restricted the asset for a specific purpose. It is the Foundation's policy to capitalize expenditures for all items expected to have an estimated useful life of over one year and in excess of \$500.

Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

Category	Years
Transportation equipment	5
Furniture and fixtures	5-7
Medical equipment	5
Leasehold improvements	2-3

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Note 1 Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation within the meaning of Section 509(a).

Use of Estimates

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

Functional Allocations of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash Balances in Excess of Insured Limits

The Foundation, at times during the year, may maintain balances of cash and investments that exceed the federally insured limits. The Foundation has not incurred any loss.

Note 2 Property and Equipment

Property and equipment at June 30, 2009 and 2008 consist of the following:

	2009	2008
Transportation equipment	\$ 271,805	\$ 271,805
Furniture and fixtures	90,366	78,948
Medical equipment	125,874	122,883
Leasehold improvements	70,756	70,756
Total	558,801	544,392
Less accumulated depreciation	409,146	360,586
Net	\$ 149,655	\$ 183,806

Note 3 Revenue Recognition

Revenue and the related receivable from the State of Illinois is recognized each month a participant is in the R.E.A.C.H. program. Revenue rates from third-party payors are based on a reimbursement methodology determined by the rules and regulations of the applicable third-party payor. The third-party payor rules and regulations are complex and noncompliance may result in delay or adjustment of revenue.

The majority of the Foundation's revenue is based on the rules of the following third-party payors:

Illinois Department of Public Aid (IDPA) – A monthly rate, \$1,533.03 for all eligible participants 55 years and older, is established prospectively in a reimbursement contract with the State of Illinois Department of Public Aid. The IDPA reimbursement account for approximately 96% of total revenues.

HCFA-Medicare-The Foundation's reimbursement under the Medicare program is based upon services rendered. Medicare reimbursement accounted for approximately 3% of total revenues.

Estimates are made to provide for uncollectable amounts billed and for adjustments made by the above third-party payor; however, those estimates are subject to variations.

Note 4 Lease

The Foundation leases two operating facilities from unrelated parties, with one lease that expired on May 31, 2009, and another that expired on December 14, 2008. Both leases are in process of being renewed and currently the company is on a month to month arrangement with terms consistent with the prior leases. Under the terms of one of these leases, the Foundation is responsible for their share of common area costs and real estate taxes, which are included as rent expense.

Rent expense for the years ended June 30, 2009 and 2008 are \$182,237 and \$179,297, respectively.

Note 5 Transactions with Sacred Heart Hospital

The Foundation and Sacred Heart Hospital share certain common management. No detailed records are maintained on the amount of time Sacred Heart personnel spend on the Foundation activities.

Certain salaries, related taxes and supplies are allocated between the two entities based on an estimate of time spent and usage. The amount of expense recognized by the Foundation for the years ended June 30, 2009 and 2008 are approximately \$176,000 and \$117,000, respectively.

Note 6 Transportation Agreement

The Foundation has an agreement with an unrelated entity to provide round trip transportation for participants. The Foundation is obligated to pay \$39,500 per month for services, through March 31, 2009. The agreement is in process of being renewed.

Note 7 Temporarily Restricted Net Assets

The Foundation has received four grants of medium para transit vehicles from the Illinois Department of Transportation and The retirement research foundation. The vehicles are restricted in their use to providing transportation for REACH participants and the Foundation is required to submit a semi-annual Certificate of Use to the Department of Transportation and the retirement research foundation. The book value of the vehicles was \$4,000 at the beginning of the year and \$-0- at June 30, 2009. Depreciation expenses were \$4,000 and \$8,000 for the years ended June 30, 2009 and 2008, respectively.

Note 8 Profit Sharing Plan

The Foundation sponsors a profit sharing plan for all eligible employees as defined. The contributions were \$30,000 and \$20,000 for the years ended June 30, 2009 and 2008 respectively. In addition, the Foundation has a 403(b) plan for all eligible employees as defined.

Note 9 Reclassifications

Certain amounts previously reported have been reclassified to conform to the current year's presentation.

Supplementary Information

Chicago R.E.A.C.H. Foundation
Schedules of Program Services
For the Years Ended June 30

	2009	2008
Patient Services		
Dietary expenses	\$ 164,805	\$ 155,346
Drugs	10,989	507
Employee benefits	115,967	76,897
Inservice travel and entertainment	6,870	5,762
Medical records supplies	480	518
Medical supplies	12,585	10,048
Patient care expenses	67,395	73,887
Payroll taxes	103,152	96,771
Purchased services	166,538	129,436
Recreational supplies	-	123
Salaries	1,235,346	1,143,721
Transportation	484,063	481,106
Worker's compensation insurance	44,694	21,004
Total patient services	2,412,884	2,195,126
Indirect Patient Services		
Depreciation	44,560	45,612
Employee benefits	4,941	3,276
General insurance	65,111	82,386
Housekeeping salaries	40,025	43,998
Housekeeping supplies	9,112	11,797
Office expense	13,215	20,781
Payroll taxes	3,003	3,316
Rent and real estate tax	182,237	179,297
Repairs and maintenance	16,716	24,040
Telephone	24,290	26,874
Utilities	77,336	70,648
Total indirect patient services	480,546	512,025
Total program services	\$ 2,893,430	\$ 2,707,151

See accompanying notes.

Chicago R.E.A.C.H. Foundation
Schedules of General and Administrative Expenses
For the Years Ended June 30

	2009	2008
Administrative salaries	\$ 292,824	\$ 288,971
Administrative services	133,256	163,816
Dues and subscriptions	17,255	18,713
Educational	4,057	5,164
Health insurance	44,757	29,678
Interest	114	516
Marketing	55,067	21,823
Marketing Salaries	149,679	109,596
Office expense	43,755	49,002
Payroll tax	28,437	26,153
Professional fees	12,859	25,938
Profit sharing contribution	32,187	21,563
Travel and entertainment	13,775	12,081
Total general and administration expenses	\$ 828,022	\$ 773,014

See accompanying notes.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

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

- | | | |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶

Telephone No. ▶ (.....) FAX No. ▶ (.....)

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)..... If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

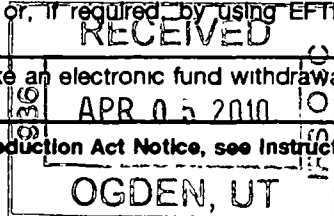
1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until, 20....., to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year 20.....or
- ▶ tax year beginning, 20....., and ending, 20.....

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.



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

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization CHICAGO REACH FDN	Employer identification number 36 3978801
	Number, street, and room or suite no. If a P.O. box, see instructions. 3240 W. FRANKLIN BLVD	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CHICAGO, IL 60624-1511	

- Check type of return to be filed** (File a separate application for each return):
- Form 990
 - Form 990-BL
 - Form 990-EZ
 - Form 990-PF
 - Form 990-T (sec. 401(a) or 408(a) trust)
 - Form 990-T (trust other than above)
 - Form 1041-A
 - Form 4720
 - Form 5227
 - Form 6069
 - Form 8870

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

- The books are in the care of **CHICAGO REACH FDN**
Telephone No. (773) **265-7354** FAX No. (773) **265-7361**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until MAY 15, 2010.
- 5 For calendar year _____, or other tax year beginning JULY 1, 2008, and ending JUNE 30, 2009.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension More time is needed to compile all the information

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$

Signature and Verification

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

Signature Thomas A. ... Title Accounting Manager Date 02/11/2010

