

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2001

Department of the Treasury
Internal Revenue Service

Note The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2001, or tax year beginning _____, and ending _____

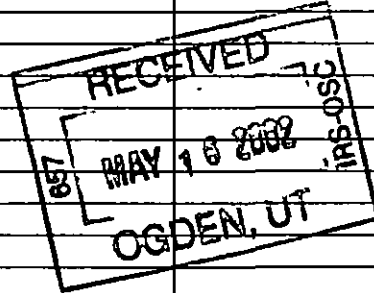
Check all that apply Initial return Final return Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization CHICAGO ANNENBERG CHALLENGE C/O RUZICKA & ASSOCIATES, LTD. Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 770 FRONTAGE ROAD 108 City or town, state, and ZIP code NORTHFIELD, IL 60093	A Employer identification number 36-4016426 B Telephone number 847-446-6400
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H Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 452,608.**
J Accounting method Cash Accrual
 Other (specify) _____
E If private foundation status was terminated under section 507(b)(1)(A), check here
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income N/A	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B	1,954.			
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	78,148.	78,148.		STATEMENT 1
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV line 2)		0.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total Add lines 1 through 11	80,102.	78,148.		
13 Compensation of officers, directors, trustees, etc	137,743.	0.		137,743.
14 Other employee salaries and wages	288,908.	0.		288,908.
15 Pension plans, employee benefits	125,731.	0.		125,731.
16a Legal fees STMT 2	27,888.	0.		27,888.
b Accounting fees STMT 3	17,883.	0.		17,882.
c Other professional fees STMT 4	839,313.	0.		839,313.
17 Interest				
18 Taxes STMT 5	786.	0.		0.
19 Depreciation and depletion	13,711.	0.		
20 Occupancy	92,210.	0.		92,210.
21 Travel, conferences, and meetings	102,168.	0.		102,168.
22 Printing and publications	5,038.	0.		5,038.
23 Other expenses STMT 6	192,744.	0.		192,744.
24 Total operating and administrative expenses Add lines 13 through 23	1,844,123.	0.		1,829,625.
25 Contributions, gifts, grants paid	40,010.			5,085,653.
26 Total expenses and disbursements Add lines 24 and 25	1,884,133.	0.		6,915,278.
27 Subtract line 26 from line 12	-1,804,031.			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative enter -0-)		78,148.		
c Adjusted net income (if negative enter -0-)			N/A	



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,451,038.	445,028.	445,028.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable	3,985,201.		
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	13,433.	7,580.	7,580.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings and equipment: basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶	53,851.			
Less accumulated depreciation STMT 7 ▶	53,851.	13,711.		
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	7,463,383.	452,608.	452,608.	
Liabilities	17 Accounts payable and accrued expenses	550,555.	365,739.	
	18 Grants payable	5,021,928.		
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	5,572,483.	365,739.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted	1,526,420.	86,869.	
	25 Temporarily restricted	364,480.	0.	
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances	1,890,900.	86,869.		
31 Total liabilities and net assets/fund balances	7,463,383.	452,608.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,890,900.
2 Enter amount from Part I, line 27a	2	-1,804,031.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	86,869.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	86,869.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a			
b NONE			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than 0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) (If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7)	2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2000	12,794,081.	3,815,615.	3.3530849
1999	12,659,094.	3,214,825.	3.9377241
1998	9,710,474.	2,813,301.	3.4516300
1997	5,982,629.	1,629,045.	3.6724762
1996	3,898,316.	1,783,691.	2.1855333

2 Total of line 1, column (d)	2	16.6004485
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	3.3200897
4 Enter the net value of noncharitable-use assets for 2001 from Part X, line 5	4	1,779,384.
5 Multiply line 4 by line 3	5	5,907,714.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	781.
7 Add lines 5 and 6	7	5,908,495.
8 Enter qualifying distributions from Part XII, line 4	8	6,915,278.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	781.
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)	2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	781.
3 Add lines 1 and 2	4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	5	781.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	6a	2,240.
6 Credits/Payments	6b	
a 2001 estimated tax payments and 2000 overpayment credited to 2001	6c	
b Exempt foreign organizations - tax withheld at source	6d	
c Tax paid with application for extension of time to file (Form 8868)	7	2,240.
d Backup withholding erroneously withheld	8	5.
7 Total credits and payments. Add lines 6a through 6d	9	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	10	1,454.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	11	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11 Enter the amount of line 10 to be Credited to 2002 estimated tax 1,454. Refunded		

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities</i>	1b		X
c Did the organization file Form 1120-POL for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the organization \$ 0. (2) On organization managers \$ 0.			
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers \$ 0.			
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	2		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ILLINOIS			
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2001 or the taxable year beginning in 2001 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address N/A	11	X	
12 The books are in care of MS. GOPIKA MALHOTRA Telephone no 847-446-6400 Located at 770 FRONTAGE ROAD, NORTHFIELD, IL ZIP+4 60093			
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A and enter the amount of tax-exempt interest received or accrued during the year	13		N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

		Yes	No
1a	During the year did the organization (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A <input type="checkbox"/>	
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2001?		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2001, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2001? If "Yes," list the years	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here		
3a	Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2001 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2001)	N/A	
4a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2001?		X
5a	During the year did the organization pay or incur any amount to		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>	
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53 4945-5(d)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
6a	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870		X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation

(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 and deferred compensation	(e) Expense account, other allowances
KENNETH ROLLING	EXEC. DIR.			
EVANSTON, IL	40	137,743.	0.	0.
PLEASE SEE ATTACHED LIST				
ALL OTHERS SERVE ON A VOLUNTARY BASIS		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1) If 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 and deferred compensation	(e) Expense account, other allowances
KEN ROLLING	EXEC. DIR.			
EVANSTON, IL	40	137,743.		
GOPIKA MALHOTRA	FIN. DIR.			
OAK PARK, IL	40	94,078.		

Total number of other employees paid over \$50,000 ▶ 0

3 Five highest-paid independent contractors for professional services If none, enter "NONE"

(a) Name and address of each person 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 IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NOT APPLICABLE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	N/A	
2		
3	All other program-related investments See instructions	
Total. Add lines 1 through 3		0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,563,752.
b	Average of monthly cash balances	1b	229,443.
c	Fair market value of all other assets	1c	13,286.
d	Total (add lines 1a, b, and c)	1d	1,806,481.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,806,481.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	27,097.
5	Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,779,384.
6	Minimum investment return Enter 5% of line 5	6	88,969.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	88,969.
2a	Tax on investment income for 2001 from Part VI, line 5	2a	781.
b	Income tax for 2001 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	781.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	88,188.
4a	Recoveries of amounts treated as qualifying distributions	4a	25,300.
b	Income distributions from section 4947(a)(2) trusts	4b	0.
c	Add lines 4a and 4b	4c	25,300.
5	Add lines 3 and 4c	5	113,488.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	113,488.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	6,915,278.
b	Program-related investments - Total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	6,915,278.
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	781.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	6,914,497.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2000	(c) 2000	(d) 2001
1 Distributable amount for 2001 from Part XI, line 7				113,488.
2 Undistributed income if any, as of the end of 2000				
a Enter amount for 2000 only			0.	
b Total for prior years 19 __, 19 __, 19 __		0.		
3 Excess distributions carryover, if any to 2001				
a From 1996				
b From 1997				
c From 1998				
d From 1999				
e From 2000				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2001 from Part XII, line 4 ▶ \$ 6,915,278.				
a Applied to 2000, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2001 distributable amount				113,488.
e Remaining amount distributed out of corpus	6,801,790.			
5 Excess distributions carryover applied to 2001 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below	6,801,790.			
a Corpus Add lines 3f 4c and 4e Subtract line 5	6,801,790.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2000 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2001 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2002				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1996 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2002 Subtract lines 7 and 8 from line 6a	6,801,790.			
10 Analysis of line 9				
a Excess from 1997				
b Excess from 1998				
c Excess from 1999				
d Excess from 2000				
e Excess from 2001	6,801,790.			

Part XIV Private Operating Foundations (see instructions and Part VII A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2001, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 26 of the instructions.)

1 **Information Regarding Foundation Managers:**
 a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs**
 Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed
**MR. KENNETH ROLLING 322 GREEN STREET, CHICAGO, IL
312-413-5869**

b The form in which applications should be submitted and information and materials they should include
SEE ATTACHMENT

c Any submission deadlines
SEE ATTACHMENT

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
SEE ATTACHMENT

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a Paid during the year</p> <p>SEE STATEMENT 8</p>				
<p>Total</p>			▶ 3a	5,085,653.
<p>b Approved for future payment</p> <p>SEE ATTACHED STATEMENT(S)</p>				
<p>Total</p>			▶ 3b	0.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | Yes | No |
|--|-------|----|
| 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a Transfers from the reporting organization to a noncharitable exempt organization of | | |
| (1) Cash | 1a(1) | X |
| (2) Other assets | 1a(2) | X |
| b Other Transactions | | |
| (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| (4) Reimbursement arrangements | 1b(4) | X |
| (5) Loans or loan guarantees | 1b(5) | X |
| (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
	N/A	

I am preparing this schedule and statements, and to the best of my knowledge and belief, it is true, correct and complete information of which preparer has any knowledge.

5/12/02 - Executive Director

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	FURNITURE AND EQUIPMENT	060195SL		5.00	19	2,097.			2,097.	2,097.		0.
2	COMPUTER EQUIPMENT	060196SL		5.00	19	12,158.			12,158.	10,334.		1,824.
3	COMPUTER EQUIPMENT	060197SL		5.00	19	12,178.			12,178.	9,134.		3,044.
4	COMPUTER AND PRINTER	060198SL		5.00	19	8,234.			8,234.	5,351.		2,883.
5	VIDEO	101098SL		3.00	19	18,500.			18,500.	12,848.		5,652.
6	COMPUTER EQUIPMENT	070199SL		5.00	19	684.			684.	376.		308.
	* TOTAL 990-PF PG 1 DEPR					53,851.		0.	53,851.	40,140.	0.	13,711.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MONEYMARKET ACCOUNTS	78,148.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	78,148.

FORM 990-PF LEGAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	27,888.	0.		27,888.
TO FM 990-PF, PG 1, LN 16A	27,888.	0.		27,888.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	17,883.	0.		17,882.
TO FORM 990-PF, PG 1, LN 16B	17,883.	0.		17,882.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EVALUATION	686,451.	0.		686,451.
OTHER CONSULTANTS	152,862.	0.		152,862.
TO FORM 990-PF, PG 1, LN 16C	839,313.	0.		839,313.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INCOME TAX PROVISION	786.	0.			0.
TO FORM 990-PF, PG 1, LN 18	786.	0.			0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE SUPPLIES	4,151.	0.			4,151.
TELEPHONE	9,786.	0.			9,786.
POSTAGE	5,694.	0.			5,694.
DUES & SUBSCRIPTIONS	1,868.	0.			1,868.
INSURANCE	6,465.	0.			6,465.
EQUIPMENT RENTAL AND MAINTENANCE	1,371.	0.			1,371.
PUBLIC AND MEDIA RELATIONS	42,476.	0.			42,476.
OTHER	2,091.	0.			2,091.
SPECIAL INITIATIVES	118,842.	0.			118,842.
TO FORM 990-PF, PG 1, LN 23	192,744.	0.			192,744.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT	7
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE		
FURNITURE AND EQUIPMENT	2,097.	2,097.			0.
COMPUTER EQUIPMENT	12,158.	12,158.			0.
COMPUTER EQUIPMENT	12,178.	12,178.			0.
COMPUTER AND PRINTER	8,234.	8,234.			0.
VIDEO	18,500.	18,500.			0.
COMPUTER EQUIPMENT	684.	684.			0.
TOTAL TO FM 990-PF, PART II, LN 14	53,851.	53,851.			0.

EDUCATION & TECHNOLOGY FOR CITIZENSHIP	PUBLIC	EDUCATION	50,000.
EDUCATION CONNECTION NETWORK	PUBLIC	EDUCATION	72,715.
EDUCATION REFORM RESOURCE DIRECTORY	PUBLIC	EDUCATION	75,000.
EXTERNAL PARTNERS WORKING GROUP	PUBLIC	EDUCATION	200,000.
FARREN BEETHOVEN SEWARD NETWORK	PUBLIC	EDUCATION	75,000.
GALILEO ELEMENTARY	PUBLIC	EDUCATION	40,300.
GRASSROOTS SCHOOL IMPROV. CAMP	PUBLIC	EDUCATION	50,000.
GREATER ROSELAND SCHOOL IMPROVEMENT PROJECT	PUBLIC	EDUCATION	50,000.
HACE NETWORK	PUBLIC	EDUCATION	125,000.
HAINES ELEMENTARY	PUBLIC	EDUCATION	38,550.
HOLMES ELEMENTARY	PUBLIC	EDUCATION	42,100.
IMPACT	PUBLIC	EDUCATION	75,000.
IRVING PARK BEST PRACTICES	PUBLIC	EDUCATION	47,100.
IRVING PARK MIDDLE SCHOOL	PUBLIC	EDUCATION	37,800.
LAKEVIEW ED. & ARTS PTS. (LEAP)	PUBLIC	EDUCATION	85,000.
LEARNING AND SHARING CONNECTION	PUBLIC	EDUCATION	75,000.
LOCAL SCHOOL COUNCIL FUND	PUBLIC	EDUCATION	125,000.
LOCKE ELEMENTARY	PUBLIC	EDUCATION	25,000.
LOGAN SQUARE COLLABORATIVE	PUBLIC	EDUCATION	85,000.
MCCOSH ELEMENTARY	PUBLIC	EDUCATION	42,100.
MIDDLE SCHOOL INITIATIVES NETWORK	PUBLIC	EDUCATION	98,279.
MINORITY STUDENT ACHIEVEMENT	PUBLIC	EDUCATION	50,000.

NETWORK FOR EXPERIENTIAL AND ADVENTURE LEARNING	PUBLIC	EDUCATION	100,000.
NETWORK FOR LEADERSHIP DEVELOPMENT	PUBLIC	EDUCATION	100,000.
NETWORKS IN SCIENCE EDUCATION	PUBLIC	EDUCATION	100,000.
NEW SCHOOLS MULTICULTURAL NETWORK	PUBLIC	EDUCATION	25,000.
NOBEL ELEMENTARY	PUBLIC	EDUCATION	38,550.
NORTH LAWNDALE LEARNING COMMUNITY	PUBLIC	EDUCATION	90,000.
NORTH RIVER COMMISSION	PUBLIC	EDUCATION	20,000.
PARTNERSHIP IN LEARNING	PUBLIC	EDUCATION	32,000.
PRIMARILY ARTS NETWORK	PUBLIC	EDUCATION	100,000.
PROFESSIONAL DEVELOPMENT GROUP	PUBLIC	EDUCATION	250,000.
PROFESSIONAL PRACTICE SCHOOLS NETWORK	501C-5	EDUCATION	115,500.
SMALL SCHOOL NETWORK	PUBLIC	EDUCATION	50,000.
SOUTH SHORE AFRICAN VILLAGE COL.	PUBLIC	EDUCATION	60,000.
STONE SOUP: MULTICULTURAL LITERACY NET.	PUBLIC	EDUCATION	25,000.
SUCCESSFUL SCHOOLS	PUBLIC	EDUCATION	15,000.
TAYLOR MIDDLE SCHOOL	PUBLIC	EDUCATION	10,579.
TEACHING & LEARNING IN THE 21ST CENTURY	PUBLIC	EDUCATION	100,000.
TIES PARTNERSHIP	PUBLIC	EDUCATION	60,000.
URBAN IMAGINATION NETWORK	PUBLIC	EDUCATION	100,000.
WEST PULLMAN ELEMENTARY	PUBLIC	EDUCATION	45,000.
WEST TOWN LEARNING NETWORK	PUBLIC	EDUCATION	100,000.

CHICAGO ANNENBERG CHALLENGE C/O RUZICKA

36-4016426

WHIRLWIND ARTS LAB NETWORK PUBLIC EDUCATION

82,500.

WOODLAWN SCHOOL COMMUNITY PUBLIC EDUCATION
NETWORK

60,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

5,085,653.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions
▶ Attach to the corporation's tax return

FORM **990-PF**

2001

Name CHICAGO ANNENBERG CHALLENGE C/O RUZICKA & ASSOCIATES, LTD.	Employer identification number <p style="text-align: center; font-size: 18pt;">36-4016426</p>
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Note In most cases, the corporation **does not** need to file Form 2220 (See Part I below for exceptions) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Reasons For Filing - Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the annualized income installment method
- 2 The corporation is using the adjusted seasonal installment method
- 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Note The corporation also must file Form 2220 if it has a suspended research credit allowed for the current year (see the instructions for line 4) or it is an indirectly affected taxpayer (see instructions).

Part II Figuring the Underpayment

4 Total tax (see instructions)		4		781.
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5a			
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or of section 167(g) for property depreciated under the income forecast method	5b			
c Credit for Federal tax paid on fuels (see instructions)	5c			
d Total Add lines 5a through 5c		5d		
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.		6		781.
7 Enter the tax shown on the corporation's 2000 income tax return. Caution See instructions before completing this line.		7		2,219.
8 Enter the smaller of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6.		8		781.

	(a)	(b)	(c)	(d)	
9 Installment due dates Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. Exception Enter October 1, 2001, instead of September 15, 2001. ▶	9	05/15/01	06/15/01	10/01/01	12/15/01
10 Required installments If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column.	10	195.	196.	195.	195.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15. Complete lines 12 through 18 of one column before going to the next column.	11			2,240.	
12 Enter amount, if any, from line 18 of the preceding column.	12				1,654.
13 Add lines 11 and 12.	13			2,240.	1,654.
14 Add amounts on lines 16 and 17 of the preceding column.	14		195.	391.	
15 Subtract line 14 from line 13. If zero or less, enter -0-.	15	0.	0.	1,849.	1,654.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.	16		195.	0.	
17 Underpayment If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.	17	195.	196.		
18 Overpayment If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.	18			1,654.	

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers Use 5th month instead of 3rd month)				
20 Number of days from due date of installment on line 9 to the date shown on line 19				
21 Number of days on line 20 after 4/15/2001 and before 7/1/2001				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 8\%}{365}$	\$	\$	\$	\$
23 Number of days on line 20 after 8/30/2001 and before 1/1/2002				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{365}$	\$	\$	\$	\$
25 Number of days on line 20 after 12/31/2001 and before 4/1/2002				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 8\%}{365}$	\$	\$	\$	\$
27 Number of days on line 20 after 3/31/2002 and before 7/1/2002	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 7\%}{365}$	\$	\$	\$	\$
29 Number of days on line 20 after 8/30/2002 and before 10/1/2002				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times 7\%}{365}$	\$	\$	\$	\$
31 Number of days on line 20 after 9/30/2002 and before 1/1/2003				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times 7\%}{365}$	\$	\$	\$	\$
33 Number of days on line 20 after 12/31/2002 and before 2/15/2003				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times 7\%}{365}$	\$	\$	\$	\$
35 Add lines 22, 24, 26, 28, 30, 32, and 34	\$	\$	\$	\$
36 Penalty Add columns (a) through (d), of line 35 Enter the total here and on Form 1120, line 33, Form 1120-A, line 29, or the comparable line for other income tax returns				5.

* For underpayments paid after March 31, 2002 For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

Depreciation and Amortization (Including Information on Listed Property) 990-PF

2001 Attachment Sequence No 67

See separate instructions Attach to your tax return

Name(s) shown on return CHICAGO ANNENBERG CHALLENGE C/O RUZICKA & ASSOCIATES, LTD. Business or activity to which this form relates FORM 990-PF PAGE 1 Identifying number 36-4016426

Part I Election To Expense Certain Tangible Property Under Section 179 Note If you have any listed property, complete Part V before you complete Part I

Table with 5 main rows for Part I. Row 1: Maximum amount 24,000. Row 2: Total cost of section 179 property. Row 3: Threshold cost of section 179 property before reduction in limitation \$200,000. Row 4: Reduction in limitation. Row 5: Dollar limitation for tax year. Row 6: Description of property, Cost (business use only), Elected cost. Row 7: Listed property. Row 8: Total elected cost of section 179 property. Row 9: Tentative deduction. Row 10: Carryover of disallowed deduction from line 13 of your 2000 Form 4562. Row 11: Business income limitation. Row 12: Section 179 expense deduction. Row 13: Carryover of disallowed deduction to 2002.

Note Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

Table with 3 rows for Part II. Row 14: Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001. Row 15: Property subject to section 168(f)(1) election. Row 16: Other depreciation (including ACRS) 13,711.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

Table with 2 rows for Section A. Row 17: MACRS deductions for assets placed in service in tax years beginning before 2001. Row 18: If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-g: 3, 5, 7, 10, 15, 20, 25 year property. Rows h-i: Residential rental property, Nonresidential real property.

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System

Table with 6 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Rows 20a-c: Class life 12 year, 40-year.

Part IV Summary (See instructions)

Table with 3 rows for Part IV. Row 21: Listed property. Row 22: Total 13,711. Row 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution - See instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2001 tax year					
43 Amortization of costs that began before your 2001 tax year					43
44 Total Add amounts in column (f) See instructions for where to report					44

CHICAGO ANNENBERG CHALLENGE
36-4016426
2001 Form 990PF

Part VII-B, Statements Regarding Activities
Question 5(c), Information on Grants and Program-Related
Investments Subject to Expenditure Responsibility

Grantee: Chicago Teacher's Union Quest Center (For Professional Practice Schools
222 Merchandise Mart Plaza, Suite 400 Network)
Chicago, IL 60654-1016

IRS Classification: 501(c)(5)

Grant/Program-Related Investment Amount and Dates Paid

\$150,000 awarded in 1997-98, \$75,000 paid on 8/4/97, \$75,000 paid 4/8/98
\$250,000 awarded in 1998-99, \$116,000 paid on 10/15/98, \$125,000 5/26/99
\$250,000 awarded in 1999-00, \$125,000 paid on 9/28/99, \$100,000 paid on 5/11/00,
\$34,000 paid on 12/31/00
\$125,000 awarded in 2000-01, none paid in 2000, \$57,750 paid on 1/23/01,
\$45,000 paid on 4/26/01, \$12,750 paid on 11/7/01,
\$9,500 rescinded and not paid

Description/Purpose

To support a group of three Chicago Public Schools during the implementation stage of a school restructuring effort. The purpose of the grant is to promote education reform and to ultimately improve student achievement. Schools collaborate with each other, develop teacher skills, enhance curriculum and work with community resources in their school change efforts.

Amount Expended

\$140,770 (for 97-98 grant)
\$250,865 (for 98-99 grant)
\$240,500 (for 99-00 grant)
\$133,365 (for 00-01 grant, includes carryover from previous years)

Use of Funds

Funds were used to hire assistant teachers & substitutes, for teacher and parent stipends, and for materials and training related to teacher professional development.

Diversions None

Type and Date of Report from Grantee

Narrative Report May 1998, July 1999, February 2000, November 2000, March 2001, October 2001
Expense accounting October 1998, September 1999, April 2000, November 2000, April 2001, October 2001

2001 Chicago Annenberg Challenge 990-PF

Addendum to Statement 8

RECIPIENT NAME

PAYEE NAME & ADDRESS

Alliance for Community Education (A C E)	Loyola University of Chicago Department of Curriculum, Instruction, and Educational Psychology Mallinckrodt Campus 1041 N Ridge Rd Willmette, IL 60091
Audubon Elementary	Chicago Teachers' Center 770 N Halsted, Suite 420 Chicago, IL 60622
Bateman Elementary	Designs for Change 6 N Michigan Ave , Ste 1600 Chicago, IL 60602
Best Practice Network	National Louis Univ 2840 N Sheridan Rd Evanston, IL 60201-1796
Bethel New Life Leadership Development	Bethel New Life 367 N Karlov Chicago, Illinois 60624
Beverly/Morgan Park IB Middle Years	Beverly Area Planning Association 10233 S Wood St Chicago, IL 60643
Block Together (Developing Parent Leadership to Improve Our Schools)	Blocks Together 3523 W North Ave Chicago, IL 60647
Carson Elementary	Whirlwind Performance Company 65 E Wacker Pl , Suite 1110 Chicago, IL 60601
Center for School Improvement	University of Chicago 1313 E 60 th St Chicago, IL 60637
Chase Elementary	Youth Guidance 53 W Jackson Blvd , Suite 950 Chicago, IL 60604
Chicago Comer School Network	Youth Guidance 53 W Jackson Blvd , Suite 950 Chicago, IL 60604

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Chicago Community History Collaborative	Chicago Metro History Education Center 60 W Walton St Chicago, IL 60610
Chicago Public Education Fund	Chicago Public Education Fund 200 West Adams, Suite 1910 Chicago, IL 60606
Coalition of Schools for Better Education	Business and Professional People For the Public Interest 17 E Monroe St , Suite 212 Chicago, IL 60603
CPS/CSU Network Schools within Schools	Chicago State University 9501 S King Dr Chicago, IL 60628
Cross City for Urban School Reform	Cross City for Urban School Reform 407 S Dearborne, #1500 Chicago, IL 60605
Darwin Elementary	Logan Square Neighborhood Association 3321 W Wrightwood Ave Chicago, IL 60647
Dixon Elementary	Youth Guidance 53 W Jackson Blvd , Suite 950 Chicago, IL 60604
Education and Technology for Citizenship	Facing History and Ourselves 222 N LaSalle St , Suite 1414 Chicago, IL 60601
Education Connection Network	Great Books Foundation 35 E Wacker Dr, Suite 2300 Chicago, IL 60601-2298
Education Reform Resource Directory	Community Renewal Society 332 S Michigan Ave , Suite 500 Chicago, IL 60604
External Partners' Working Group	Whirlwind Performance Company 65 E Wacker Pl , Suite 1110 Chicago, IL 60601

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Farren, Beethoven, Seward Network

Erikson Institute
420 N Wabash
Chicago, IL 60611

Galileo Elementary

Designs for Change
6 N Michigan Ave , Ste 1600
Chicago, IL 60602

Grassroots School Improvement Campaign

Arkansas Institute for Social Justice
739 8th Street S E
Washington, D C 20002

Greater Roseland School
Improvement Project

Designs for Change
6 North Michigan Avenue
Suite 1600
Chicago, IL 60602

hACE Arts & Culture in Education

Northeastern Illinois University
Chicago Teachers Center
770 N Halsted Street, Suite 420
Chicago, IL 60622

Haines Elementary

Youth Guidance
53 W Jackson Blvd , Suite 950
Chicago, IL 60604

Holmes Elementary

University of Chicago
1313 E 60th St
Chicago, IL 60637

IMPACT Network

Chicago Children's Museum
700 E Grand Ave , Suite 127
Chicago, IL 60611-3428

Irving Park Best Practices

National Louis Univ
2840 N Sheridan Rd
Evanston, IL 60201-1796

Irving Park Middle School

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

Lakeview Education & Arts
Partnerhsip (LEAP)

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

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Learning and Sharing Connection

Strategic Learning Initiatives
2555 N Clark Street, Suite 708
Chicago, IL 60614

Local School Council Fund

Chicago Public Education Fund
200 West Adams, Suite 1910
Chicago, IL 60606

Locke Elementary

Imagine Chicago
35 E Wacker Dr , Ste 1522
Chicago, IL 60601

Logan Square Collaborative Network

Logan Square Neighborhood Association
3321 W Wrightwood Ave
Chicago, IL 60647

McCosh Elementary

Roosevelt University
430 S Michigan Ave
Chicago, IL 60605-1394

Middle School Initiatives Network

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

Minority Student Achievement Network

Minority Student Achievement Network
1600 Dodge Avenue
Evanston, IL 60204-3494

Network for Experiential and Adventure Learning

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

Network for Leadership Development

Designs for Change
6 N Michigan Ave , Ste 1600
Chicago, IL 60602

Networks in Science Education

Columbia College
600 S Michigan Ave
Chicago, IL 60605

New Schools Multicultural Network

Technology Center for Teaching and Learning
1855 Mt Prospect Rd
Des Plaines, IL 60018

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Nobel Elementary

Imagine Chicago
35 E Wacker Dr , Ste 1522
Chicago, IL 60601

North Lawndale Learning Community

North Lawndale Community
1229 S Central Park, 3rd Floor
Chicago, IL 60623

North River Commission Network

North River Commission
4808 N Spaulding
Chicago, IL 60625

Partnership in Learning

University of Illinois
263 Henry Adm Bldg
506 South Wright Street
Urbana, IL 61801-3691

Primarily Arts Network

Chicago Symphony Orchestra
220 S Michigan Ave
Chicago, IL 60604

Professional Development Group

Chicago Public Education Fund
200 West Adams, Suite 1910
Chicago, IL 60606

Professional Practice Schools
Network

Chicago Teachers Union Quest Center
222 Merchandise Mart Plaza, Suite 400
Chicago, IL 60654

Small Schools Network

Small Schools Workshop/Univ of IL at Chicago
115 S Sangamon
Chicago, IL 60607

South Shore African Village Collaborative

Coalition for Improved Ed in South Shore
1809 E 71st St
Chicago, IL 60649

Stone Soup Multicultural Literacy Network

Hug-A-Book
Dawson Technical Skills Center
3901 S State St
Chicago, IL 60609

Successful Schools

Community Renewal Society
332 S Michigan Ave , Suite 500
Chicago, IL 60604

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Taylor Middle School

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

Teaching and Learning for the 21st Century

Museum of Science and Industry
Up Programs
57th Street and Lake Shore Drive
Chicago, IL 60637-2093

TIES Partnership

National Louis University
2850 Sheridan Rd
Evanston, IL 60201

Urban Imagination Network

Imagine Chicago
35 E Wacker Dr , Ste 1522
Chicago, IL 60601

West Pullman Elementary School
Development Initiative

Teachers Academy of
Mathematics and Science
3424 S State Street
Chicago, IL 60616

West Town Learning Network

Northeastern Illinois University
5500 N St Louis Ave
Chicago, IL 60625-4699

Whirlwind ArtsLab Network

Whirlwind Performance Company
65 E Wacker Pl , Suite 1110
Chicago, IL 60601

Woodlawn School/Community Network

Roosevelt University
430 S Michigan Ave
Chicago, IL 60605-1394

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