

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2007 calendar year, or tax year beginning, and ending; B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending; C Name of organization: CHRONIC DISEASE FUND, INC.; D Employer identification number: 61-1462062; E Telephone number: (972) 712-0201; F Accounting method: Accrual; G Website: www.cdfund.org; J Organization type: 501(c)(3); K Check here if the organization is not a 509(a)(3) supporting organization; L Gross receipts: 73,047,917; M Check if the organization is not required to attach Sch. B.

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

Table with 21 rows and 4 columns: Description, Sub-column (a-d), Total, and Amount. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22 a</b>	Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
<b>22 b</b>	Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
<b>23</b>	Specific assistance to individuals (attach schedule)	0	0		
<b>24</b>	Benefits paid to or for members (attach schedule)	63,551,700	63,551,700		
<b>25 a</b>	Compensation of current officers, directors, key employees, etc. listed in Part V-A	450,000	0	450,000	0
<b>25 b</b>	Compensation of former officers, directors, key employees, etc. listed in Part V-B	0	0	0	0
<b>25 c</b>	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
<b>26</b>	Salaries and wages of employees not included on lines 25a, b, and c	608,622		608,622	
<b>27</b>	Pension plan contributions not included on lines 25a, b, and c	0			
<b>28</b>	Employee benefits not included on lines 25a – 27	0			
<b>29</b>	Payroll taxes	60,967		60,967	
<b>30</b>	Professional fundraising fees	0			
<b>31</b>	Accounting fees	16,214		16,214	
<b>32</b>	Legal fees	19,558		19,558	
<b>33</b>	Supplies	23,841	23,841		
<b>34</b>	Telephone	0			
<b>35</b>	Postage and shipping	22,876		22,876	
<b>36</b>	Occupancy	89,317		89,317	
<b>37</b>	Equipment rental and maintenance	23,379	23,379		
<b>38</b>	Printing and publications	15,562	15,562		
<b>39</b>	Travel	62,866		62,866	
<b>40</b>	Conferences, conventions, and meetings	16,477		16,477	
<b>41</b>	Interest	0			
<b>42</b>	Depreciation, depletion, etc. (attach schedule)	41,673	0	41,673	0
<b>43</b>	Other expenses not covered above (itemize):				
<b>43 a</b>	See attached statement	2,993,499	2,664,666	328,833	0
<b>43 b</b>		0	0	0	0
<b>43 c</b>		0	0	0	0
<b>43 d</b>		0	0	0	0
<b>43 e</b>		0	0	0	0
<b>43 f</b>		0	0	0	0
<b>43 g</b>		0	0	0	0
<b>44</b>	<b>Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)–(D), carry these totals to lines 13–15)	67,996,551	66,279,148	1,717,403	0

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

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

If "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III** Statement of Program Service Accomplishments (See the instructions.)

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

What is the organization's primary exempt purpose? <b>▶ TO PROVIDE PRESCRIPTION MEDICATION ASSISTANCE</b> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
<b>a</b> CHRONIC DISEASE FUND, INC. PROVIDES FINANCIAL ASSISTANCE TO THE UNDER-INSURED WHO CANNOT AFFORD PRESCRIPTION MEDICATIONS ASSOCIATED WITH CHRONIC ILLNESSES. ..... ..... ..... (Grants and allocations \$ 70,762,185 ) If this amount includes foreign grants, check here <input type="checkbox"/>	66,279,148
<b>b</b> ..... ..... ..... ..... (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>c</b> ..... ..... ..... ..... (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>d</b> ..... ..... ..... ..... (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) <b>▶</b>	66,279,148

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

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

		(A)		(B)
		Beginning of year		End of year
Assets	<b>45</b> Cash—non-interest-bearing . . . . .		<b>45</b>	
	<b>46</b> Savings and temporary cash investments . . . . .	24,339,151	<b>46</b>	55,467,184
	<b>47 a</b> Accounts receivable . . . . .	<b>47a</b> 0		
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>47b</b> 0	0	<b>47c</b> 0
	<b>48 a</b> Pledges receivable . . . . .	<b>48a</b> 0		
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>48b</b> 0	0	<b>48c</b> 0
	<b>49</b> Grants receivable . . . . .		<b>49</b>	
	<b>50 a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .		0	<b>50a</b> 0
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .			<b>50b</b>
	<b>51 a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b> 0		
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>51b</b> 0	0	<b>51c</b> 0
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .		<b>53</b>	
	<b>54 a</b> Investments—publicly-traded securities. . . . . <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	<b>54a</b> 0
	<b>b</b> Investments—other securities (attach schedule). . . . . <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	<b>54b</b> 0
	<b>55 a</b> Investments—land, buildings, and equipment: basis . . . . .	<b>55a</b> 310,227		
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>55b</b> 41,673	123,016	<b>55c</b> 268,554
	<b>56</b> Investments—other (attach schedule) . . . . .		0	<b>56</b> 0
	<b>57 a</b> Land, buildings, and equipment: basis . . . . .	<b>57a</b> 0		
<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>57b</b> 0	0	<b>57c</b> 0	
<b>58</b> Other assets, including program-related investments (describe <input type="checkbox"/> Deposit for ACP Program ) . . . . .		0	<b>58</b> 4,990,000	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .		24,462,167	<b>59</b> 60,725,738	
Liabilities	<b>60</b> Accounts payable and accrued expenses . . . . .	22,777,847	<b>60</b>	53,990,052
	<b>61</b> Grants payable . . . . .		<b>61</b>	
	<b>62</b> Deferred revenue . . . . .		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		0	<b>63</b> 0
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		0	<b>64a</b> 0
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .		0	<b>64b</b> 0
	<b>65</b> Other liabilities (describe <input type="checkbox"/> ) . . . . .		0	<b>65</b> 0
<b>66 Total liabilities.</b> Add lines 60 through 65 . . . . .		22,777,847	<b>66</b> 53,990,052	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	<b>67</b> Unrestricted . . . . .	1,684,320	<b>67</b>	6,735,686
	<b>68</b> Temporarily restricted . . . . .		<b>68</b>	
	<b>69</b> Permanently restricted . . . . .		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>	
<b>73 Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .		1,684,320	<b>73</b> 6,735,686	
<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73. . . . .		24,462,167	<b>74</b> 60,725,738	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

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

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

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:			
1	Donated services and use of facilities	<b>b1</b>		
2	Prior year adjustments reported on Part I, line 20	<b>b2</b>		
3	Losses reported on Part I, line 20	<b>b3</b>		
4	Other (specify):	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	0
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	0
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
1	Investment expenses not included on Part I, line 6b	<b>d1</b>		
2	Other (specify):	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	0
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>		<b>e</b>	0

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name MICHAEL BANIG/ Str 6089 Sweeney Trail City FRISCO ST TX ZIP 75034	Title President Hr/WK 50	295,000	0	0
Name MARK EVANGELI Str 6448 Lone Grove Co City FRISCO ST TX ZIP 75034	Title EXC V CHAIRMAN Hr/WK 40	150,000	0	0
Name AL Henry Str 5651 Travis Drive City FRISCO ST TX ZIP 75034	Title TRUSTEE Hr/WK 2	0	0	0
Name Jay Arbetter Str 4140 Rainsong Dr City Dallas ST TX ZIP 75287	Title TRUSTEE Hr/WK 2	0	0	0
Name CRAIG S ROSEN/ Str 3833 GREENBRIER City UNIVERSITY PAR ST TX ZIP 75225	Title TRUSTEE Hr/WK 2	0	0	0
Name STEVEN R BLOCH Str 5949 Sherry Lane, Su City DALLAS ST TX ZIP 75225	Title TRUSTEE Hr/WK 2	0	0	0
Name MIKE SCHOLTEN Str 8201 PRESTON ROA City DALLAS ST TX ZIP 75225	Title TRUSTEE Hr/WK 2	0	0	0
Name Travis DeWayne M Str 1200 Canyon Wren D City McKinney ST TX ZIP 75071	Title TRUSTEE Hr/WK 2	0	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

**Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)** Yes No

<b>75 a</b>	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . .			
<b>b</b>	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . . . .	<b>75b</b>		
<b>c</b>	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." . . . . . If "Yes," attach a statement that includes the information described in the instructions.	<b>75c</b>		X
<b>d</b>	Does the organization have a written conflict of interest policy? . . . . .	<b>75d</b>		

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				

**Part VI Other Information (See the instructions.)** Yes No

<b>76</b>	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . . . .	<b>76</b>		X
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes.	<b>77</b>		X
<b>78 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	<b>78a</b>		X
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	<b>78b</b>	N/A	
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	<b>79</b>		X
<b>80 a</b>	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	<b>80a</b>		X
<b>b</b>	If "Yes," enter the name of the organization ► _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
<b>81 a</b>	Enter direct and indirect political expenditures. (See line 81 instructions.) . . . . .	<b>81a</b>		
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year? . . . . .	<b>81b</b>		

Part VI Other Information (continued)		Yes	No
<b>82 a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .		X
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) . . . . . <b>82b</b>   N/A		
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? . . . . .	N/A	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	N/A	
<b>85 a</b>	<i>501(c)(4), (5), or (6)</i> . Were substantially all dues nondeductible by members? . . . . .		X
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . . If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		X
<b>c</b>	Dues, assessments, and similar amounts from members . . . . . <b>85c</b>		
<b>d</b>	Section 162(e) lobbying and political expenditures . . . . . <b>85d</b>		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . . <b>85e</b>		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . . <b>85f</b>   0		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .	<b>85g</b>	
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .	<b>85h</b>	
<b>86 a</b>	<i>501(c)(7) orgs.</i> Enter: a Initiation fees and capital contributions included on line 12 . . . . . <b>86a</b>		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities . . . . . <b>86b</b>		
<b>87 a</b>	<i>501(c)(12) orgs.</i> Enter: a Gross income from members or shareholders . . . . . <b>87a</b>		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <b>87b</b>		
<b>88 a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	<b>88a</b>	X
<b>b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI . . . . . ▶ <b>88b</b>		X
<b>89 a</b>	<i>501(c)(3) organizations.</i> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ NA ; section 4912 ▶ ; section 4955 ▶		
<b>b</b>	<i>501(c)(3) and 501(c)(4) orgs.</i> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	<b>89b</b>	X
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . ▶		
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . . . ▶ NA		
<b>e</b>	<i>All organizations.</i> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? . . . . .	<b>89e</b>	X
<b>f</b>	<i>All organizations.</i> Did the organization acquire a direct or indirect interest in any applicable insurance contract? . . . . .	<b>89f</b>	
<b>g</b>	<i>For supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	<b>89g</b>	
<b>90 a</b>	List the states with which a copy of this return is filed ▶		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.) . . . . . <b>90b</b>		
<b>91 a</b>	The books are in care of ▶ Name PHILIP K MILLER, CPA Telephone no. ▶ 214-206-8612 Located at ▶ 212 W SPRING VALLEY RD City RICHARDSON ST TX ZIP + 4 ▶ 75081		
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	<b>91b</b>	
	If "Yes," enter the name of the foreign country ▶		
	See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts.		

**Part VI Other Information** (continued)

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

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

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

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue:					
<b>a</b> N/A					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments . . . . .					
<b>g</b> Fees and contracts from government agencies . . . . .					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments . . . . .					
<b>96</b> Dividends and interest from securities . . . . .					2,285,732
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property . . . . .					
<b>b</b> not debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property . . . . .					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory . . . . .					
<b>101</b> Net income or (loss) from special events . . . . .					
<b>102</b> Gross profit or (loss) from sales of inventory . . . . .					
<b>103</b> Other revenue: <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .		0		0	2,285,732
<b>105</b> <b>Total</b> (add line 104, columns (B), (D), and (E)) . . . . . ▶					2,285,732

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

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

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

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

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

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

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

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

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

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

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

<b>Yes</b>	<b>No</b>

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

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

<b>Yes</b>	<b>No</b>

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

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

<b>Yes</b>	<b>No</b>

**Please Sign Here**

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

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

<b>Paid Preparer's Use Only</b>	Preparer's signature <b>Philip Miller</b>	Date 11/12/2008	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) P00325721
	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>Philip K. Miller CPA 212 W. Spring Valley Rd, Richardson, TX 75081</b>	EIN <b>26-0131893</b>	Phone no. <b>214-206-8612</b>	

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

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

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

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

CHRONIC DISEASE FUND, INC.

Employer identification number

61-1462062

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Melissa Ayles, 2503 Wingate Drive Frisco, TN 75034	Director, Operations 50	98,940		
Eric Ayles, 2503 Wingate Drive Frisco, TX TEXAS 75034	Trainer 50	51,250		
Total number of other employees paid over \$50,000 . . . ▶	0			

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

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2007

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

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

2a X

2b X

2c X

2d X

2e X

3 a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a

3b X

3c X

3d X

4 a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g.

4a X

4b X

4c X

d Enter the total number of donor advised funds owned at the end of the tax year

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

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

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

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
					0
					0
					0
					0
					0
					0
<b>Total</b>					0

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .					0
16 Membership fees received . . . . .					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose . . . . .					0
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .					0
19 Net income from unrelated business activities not included in line 18 . . . . .					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .					0
23 Total of lines 15 through 22 . . . . .	0	0	0	0	0
24 Line 23 minus line 17 . . . . .	0	0	0	0	0
25 Enter 1% of line 23 . . . . .	0	0	0	0	0
26 <b>Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24 . . . . . ▶					26a 0
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. <b>Do not file this list with your return.</b> Enter the total of all these excess amounts . . . ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					26c 0
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ . . . . . ▶					26d 0
e Public support (line 26c minus line 26d total) . . . . . ▶					26e 0
f <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b> . . . . . ▶					26f 0.00%
27 <b>Organizations described on line 12:</b> a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." <b>Do not file this list with your return.</b> Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the <b>larger</b> of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) <b>Do not file this list with your return.</b> After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ . . . . . ▶					27c 0
d Add: Line 27a total _____ and line 27b total _____ . . . . . ▶					27d 0
e Public support (line 27c total minus line 27d total) . . . . . ▶					27e 0
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . . . ▶					27f
g <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b> . . . . . ▶					27g 0.00%
h <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b> . . . . . ▶					27h 0.00%

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

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

Table with 3 columns: Question ID, Question Text, and Yes/No response columns. Rows include questions 29 through 35 regarding nondiscrimination policies, financial aid, and organizational compliance.

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.) (To be completed ONLY by an eligible organization that filed Form 5768)

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

Table with 4 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for all electing organizations. Includes rows 36-44 for Limits on Lobbying Expenditures.

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

4-Year Averaging Period Under Section 501(h)

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

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2007, (b) 2006, (c) 2005, (d) 2004, (e) Total. Includes rows 45-50 for 4-Year Averaging Period.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

Table with 4 columns: Description, Yes, No, Amount. Includes rows for various lobbying activities (a-i) and a total row.



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

**2007**

Name of organization

Employer identification number

CHRONIC DISEASE FUND, INC.

61-1462062

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

**General Rule—**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules—**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

<b>Name of organization</b> CHRONIC DISEASE FUND, INC.	<b>Employer identification number</b> 61-1462062
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**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 1,050,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 100,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 1,813,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 1,000,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 4,480,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 44,500,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

<b>Name of organization</b> CHRONIC DISEASE FUND, INC.	<b>Employer identification number</b> 61-1462062
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**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	NOT OPEN TO PUBLIC INSPECTION  NOT OPEN TO PUBLIC INSPECTION  Foreign State or Province: _____ Foreign Country: _____	\$ 17,670,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	_____  _____  Foreign State or Province: _____ Foreign Country: _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	_____  _____  Foreign State or Province: _____ Foreign Country: _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	_____  _____  Foreign State or Province: _____ Foreign Country: _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	_____  _____  Foreign State or Province: _____ Foreign Country: _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	_____  _____  Foreign State or Province: _____ Foreign Country: _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization CHRONIC DISEASE FUND, INC.	Employer identification number 61-1462062
--	--

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete columns (a) through (e) and the following line entry.)  
 For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once—see instructions.) ▶ \$ 0

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
1	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____ For. Prov. _____ Country _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
2	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____ For. Prov. _____ Country _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
3	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____ For. Prov. _____ Country _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
4	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____ For. Prov. _____ Country _____	_____ _____ _____

<b>Name of organization</b> CHRONIC DISEASE FUND, INC.	<b>Employer identification number</b> 61-1462062
---	---

**Part III** **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year.** (Complete columns (a) through (e) and the following line entry.)  
 For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once—see instructions.) ▶ \$ 0

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
5	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
For. Prov. <span style="float:right">Country</span>	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
6	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
For. Prov. <span style="float:right">Country</span>	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
7	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
For. Prov. <span style="float:right">Country</span>	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
—	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
For. Prov. <span style="float:right">Country</span>	

Sch A, Page 2, Line 2 d

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Chronic Disease Management Group, Inc., a Delaware Corporation owned by Chronic Disease Fund, Inc.'s President, Michael Banigan does business transactions with the Chronic Disease Fund, Inc.

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Chronic Disease Management Group, Inc. supplies data management, software maintenance and updates, and therapy management services.

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The amount of compensation in 2007 for Chronic Disease Management Group, Inc from the organization was \$2,664,666. All transactions are approved by the organization's board of directors.

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**Line 1 (990) - Public Support and Contributions**

	Cash	Non Cash
<b>Line 1a</b> - Contributions to Donor Advised Funds . . . . .	70,613,000	
<b>Line 1b</b> - Direct public support		
<b>1</b> Contributions . . . . .	149,185	<b>1</b>
<b>2</b> Membership dues and assessments (contributions from the public) . . . . .		<b>2</b>
<b>3</b> Commercial co-venture . . . . .		<b>3</b>
<b>4</b> Special events contributions (Line 9 - Special Events) . . . . .	0	<b>4</b>
<b>5</b> _____		<b>5</b>
<b>6</b> _____		<b>6</b>
<b>7</b> _____		<b>7</b>
<b>8</b> _____		<b>8</b>
<b>9</b> _____		<b>9</b>
<b>10</b> Total . . . . .	149,185	<b>10</b> 0
<b>Line 1c</b> - Indirect public support . . . . .		
<b>Line 1d</b> - Government contributions (grants) . . . . .		

**Part II, Line 24 (990) - Benefits Paid to or for Members**

	Description of benefits paid	Amount
1	Benefits paid to or for members	63,551,700
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
	<b>Total</b>	63,551,700

**Part II, Line 42 (990) - Depreciation, Depletion, etc.**

		41,673	0	41,673	0
Description		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
1	See attached schedule	41,673		41,673	
2		0			
3		0			
4		0			
5		0			
6		0			
7		0			
8		0			
9		0			
10		0			
11		0			
12		0			
13		0			
14		0			
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			

**Part II, Line 43 (990) - Other Expenses**

2,993,499

2,664,666

328,833

0

Description		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
1	Bank fees	477		477	
2	Contract labor	13,960		13,960	
3	Computer services	141,904		141,904	
4	Data Management	2,664,666	2,664,666		
5	Employee benefits	7,552		7,552	
6	Insurance	15,274		15,274	
7	Marketing expenses	27,186		27,186	
8	Membership dues	1,893		1,893	
9	Misc expenses	20,495		20,495	
10	Office supplies and expense	24,804		24,804	
11	Permits	25		25	
12	Telecommunications	56,012		56,012	
13	Utilities	13,126		13,126	
14	HR Consulting	6,125		6,125	
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			

**Part IV, Line 55 (990) - Investments - Land, Buildings, and Equipment**

		310,227	0	41,673	123,016	268,554
Category or Item		Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Beginning Balance	Ending Balance
1	Equipment	310,227	0	41,673	123,016	268,554
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0

**Part IV, Line 58 (990) - Other Assets**

0 4,990,000

	Description	Beginning	End
1	Deposit for ACP Program		4,990,000
2			
3			
4			
5			
6			
7			
8			
9			
10			

**Part VII, Line 93 (990) - Program Service Revenue**

		Unrelated business income		Excluded by section 512, 513, or 514		
Program Service Revenue		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
a	N/A					
b						
c						
d						
e						
f						
g						
h						
i						
j						
k						
l						
m						
n						
o						
p						
q						
r						
s						
t						
u						
v						
w						
x						
y						
z						

**Assets by Classification - 990**

12/31/2007

CHRONIC DISEASE FUND, INC.

61-1462062

Item No.	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum. Deprec., 179, Bonus	2007 Deprec.	2007 Accum. Deprec.
<b>5-yr Res rental furnishings</b>														
	Office Equipment	12/31/2006	F-3	100.00%	31,653	0	0	31,653	5	SL		0	6,331	6,331
	Computer Equipment	12/31/2006	F-3	100.00%	86,779	0	0	86,779	5	SL		0	17,356	17,356
	Computer Equipment	12/31/2006	F-3	100.00%	1,407	0	0	1,407	5	SL		0	281	281
	Computer Equipment	12/31/2006	F-3	100.00%	670	0	0	670	5	SL		0	134	134
	Computer Equipment	12/31/2006	F-3	100.00%	882	0	0	882	5	SL		0	176	176
	Computer Equipment	12/31/2006	F-3	100.00%	1,358	0	0	1,358	5	SL		0	272	272
	Computer Equipment	12/31/2006	F-3	100.00%	268	0	0	268	5	SL		0	54	54
	Computer Equipment	1/4/2007	F-3	100.00%	7,746	0	0	7,746	5	SL		0	775	775
	Office Equipment	1/18/2007	F-3	100.00%	6,593	0	0	6,593	5	SL		0	659	659
	Office Equipment	1/23/2007	F-3	100.00%	191	0	0	191	5	SL		0	19	19
	Office Equipment	1/31/2007	F-3	100.00%	5,238	0	0	5,238	5	SL		0	524	524
	Office Equipment	2/14/2007	F-3	100.00%	4,787	0	0	4,787	5	SL		0	479	479
	Computer Equipment	2/23/2007	F-3	100.00%	1,243	0	0	1,243	5	SL		0	124	124
	Office Equipment	2/28/2007	F-3	100.00%	1,530	0	0	1,530	5	SL		0	153	153
	Computer Equipment	3/12/2007	F-3	100.00%	406	0	0	406	5	SL		0	41	41
	Office Equipment	3/13/2007	F-3	100.00%	2,033	0	0	2,033	5	SL		0	203	203
	Office Equipment	3/29/2007	F-3	100.00%	1,907	0	0	1,907	5	SL		0	191	191
	Office Equipment	4/30/2007	F-3	100.00%	9,558	0	0	9,558	5	SL		0	956	956
	Office Equipment	4/30/2007	F-3	100.00%	6,567	0	0	6,567	5	SL		0	657	657
	Office Equipment	5/29/2007	F-3	100.00%	19,472	0	0	19,472	5	SL		0	1,947	1,947
	Office Equipment	5/31/2007	F-3	100.00%	755	0	0	755	5	SL		0	76	76
	Office Equipment	5/31/2007	F-3	100.00%	2,648	0	0	2,648	5	SL		0	265	265
	Office Equipment	6/13/2007	F-3	100.00%	49	0	0	49	5	SL		0	5	5
	Office Equipment	6/27/2007	F-3	100.00%	13,224	0	0	13,224	5	SL		0	1,322	1,322
	Computer Equipment	6/27/2007	F-3	100.00%	41	0	0	41	5	SL		0	4	4
	Office Equipment	6/29/2007	F-3	100.00%	300	0	0	300	5	SL		0	30	30
	Office Equipment	7/20/2007	F-3	100.00%	1,313	0	0	1,313	5	SL		0	131	131
	Computer Equipment	7/20/2007	F-3	100.00%	976	0	0	976	5	SL		0	98	98
	Office Equipment	7/30/2007	F-3	100.00%	51	0	0	51	5	SL		0	5	5
	Office Equipment	7/30/2007	F-3	100.00%	518	0	0	518	5	SL		0	52	52
	Office Equipment	8/8/2007	F-3	100.00%	3,246	0	0	3,246	5	SL		0	325	325
	Office Equipment	8/8/2007	F-3	100.00%	197	0	0	197	5	SL		0	20	20
	Office Equipment	8/8/2007	F-3	100.00%	10,995	0	0	10,995	5	SL		0	1,100	1,100
	Computer Equipment	8/15/2007	F-3	100.00%	14	0	0	14	5	SL		0	1	1
	Office Equipment	8/22/2007	F-3	100.00%	3,780	0	0	3,780	5	SL		0	378	378
	Office Equipment	9/5/2007	F-3	100.00%	10,668	0	0	10,668	5	SL		0	1,067	1,067
	Office Equipment	9/20/2007	F-3	100.00%	103	0	0	103	5	SL		0	10	10
	Office Equipment	9/28/2007	F-3	100.00%	16,080	0	0	16,080	5	SL		0	1,608	1,608
	Office Equipment	10/22/2007	F-3	100.00%	3,963	0	0	3,963	5	SL		0	396	396
	Office Equipment	10/22/2007	F-3	100.00%	146	0	0	146	5	SL		0	15	15
	Office Equipment	10/22/2007	F-3	100.00%	837	0	0	837	5	SL		0	84	84

**Assets by Classification - 990**

12/31/2007

CHRONIC DISEASE FUND, INC.

61-1462062

Item No.	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum. Deprec., 179, Bonus	2007 Deprec.	2007 Accum. Deprec.
	Office Equipment	11/8/2007	F-3	100.00%	4,845	0	0	4,845	5	SL		0	485	485
	Office Equipment	11/8/2007	F-3	100.00%	5,351	0	0	5,351	5	SL		0	535	535
	Office Equipment	11/16/2007	F-3	100.00%	2,964	0	0	2,964	5	SL		0	296	296
	Office Equipment	11/21/2007	F-3	100.00%	2,400	0	0	2,400	5	SL		0	240	240
	Office Equipment	12/3/2007	F-3	100.00%	780	0	0	780	5	SL		0	78	78
	Office Equipment	12/3/2007	F-3	100.00%	107	0	0	107	5	SL		0	11	11
	Office Equipment	12/3/2007	F-3	100.00%	4,620	0	0	4,620	5	SL		0	462	462
	Office Equipment	12/4/2007	F-3	100.00%	1,079	0	0	1,079	5	SL		0	108	108
	Office Equipment	12/21/2007	F-3	100.00%	2,673	0	0	2,673	5	SL		0	267	267
	Office Equipment	12/21/2007	F-3	100.00%	399	0	0	399	5	SL		0	40	40
Total: 5-yr Residential rental furnishings and appliances					285,410	0	0	285,410				0	40,846	40,846
<b>15-yr Qual leasehold improvement prop</b>														
	Leasehold Improvement	1/4/2007	R-7	100.00%	18,850	0	0	18,850	15	SL		0	628	628
	Leasehold Improvement	6/29/2007	R-7	100.00%	5,967	0	0	5,967	15	SL		0	199	199
Total: 15-yr Qual LH improv					24,817	0	0	24,817				0	827	827
SubTotals					310,227	0	0	310,227				0	41,673	41,673
Less: Assets Sold					( 0)	( 0)	( 0)	( 0)				( 0)	( 0)	( 0)
Ending Totals					310,227	0	0	310,227				0	41,673	41,673