

Return of Organization Exempt from Income Tax

2001

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

A For the 2001 calendar year, or tax year beginning Jul 1, 2001, and ending Jun 30, 2002

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: Zion Development Corporation. D Employer identification number: 36-3229794. E Telephone number: (815) 964-8280. F Accounting method: Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). H (a) Is this a group return for affiliates? No. H (b) If yes, enter number of affiliates. H (c) Are all affiliates included? No. H (d) Is this a separate return filed by an organization covered by a group ruling? No.

G Web site. J Organization type: 501(c) 3. K Check here if the organization's gross receipts are normally not more than \$25,000.

L Gross receipts: 2,040,916. I Enter 4 digit group GEN. M Check if the organization is not required to attach Schedule B.

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

Table with columns for line numbers (1-21) and amounts. Includes sub-rows for contributions (1a-1c), program service revenue (2), membership dues (3), interest on savings (4), dividends (5), gross rents (6a-6b), net rental income (6c), other investment income (7), gross amount from sales (8a-8c), special events (9a-9c), gross sales of inventory (10a-10b), other revenue (11), total revenue (12), program services (13), management and general (14), fundraising (15), payments to affiliates (16), total expenses (17), excess or deficit (18), net assets at beginning (19), other changes (20), net assets at end (21).

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

Do not include amounts reported on line 6b, 8b, 9b, 10b or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 52,000	2,750	49,250	0
26 Other salaries and wages	26 374,515	286,078	88,437	0
27 Pension plan contributions	27			
28 Other employee benefits	28 1,004	854	150	0
29 Payroll taxes	29 31,926	26,202	5,724	0
30 Professional fundraising fees	30			
31 Accounting fees	31 15,230	0	15,230	0
32 Legal fees	32 41,572	41,572	0	0
33 Supplies	33 23,464	20,390	3,074	0
34 Telephone	34 6,472	972	5,500	0
35 Postage and shipping	35 5,214	0	5,214	0
36 Occupancy	36 24,025	22,621	1,404	0
37 Equipment rental and maintenance	37 1,190	178	1,012	0
38 Printing and publications	38 0	0	0	0
39 Travel	39 485	451	34	0
40 Conferences, conventions and meetings	40 7,943	1,294	6,649	0
41 Interest	41 107,466	88,364	19,102	0
42 Depreciation depletion, etc (attach schedule)	42 11,419	2,997	8,422	0
43 Other expenses not covered above (itemize)				
a Advertising	43a 4,434	3,128	1,306	0
b Bank Charges	43b 3,421	138	3,283	0
c Banquet	43c 26,110	0	0	26,110
d Construction Costs	43d 67,381	60,708	6,673	0
e See Other Expenses Stmt	43e 242,076	171,138	70,261	677
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) (D), carry these totals to lines 13-15	44 1,047,347	729,835	290,725	26,787

Joint Costs Check if you are following SOP 98 2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If Yes, enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <input type="checkbox"/> Provide job training, Rehab housing	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a Sheltered Workshop--a machine shop program operated to provide jobs and training for economically disadvantaged individuals traditionally difficult to employ to help them to become financially stable, contributing members of the community (Grants and allocations \$ 0)	222,490
b Housing Rehabilitation and Housing Program--seeks to motivate volunteers to work with trained staff to rehabilitate housing in depressed neighborhoods to provide affordable housing for rent or sale to economically disadvantaged individuals (Grants and allocations \$ 0)	492,215
c Chopp1 Leadership Program and other program expenses (Grants and allocations \$ 0)	15,130
d (Grants and allocations \$)	
e Other program services (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	729,835

Part IV Balance Sheets (See instructions)

Note				(A)		(B)	
				Beginning of year		End of year	
ASSETS	45	Cash – non interest bearing		30,884	45	7,433	
	46	Savings and temporary cash investments		81,403	46	73,616	
	47a	Accounts receivable	47a	0			
		b Less allowance for doubtful accounts	47b		54,969	47c	0
	48a	Pledges receivable	48a	63,123			
		b Less allowance for doubtful accounts	48b		48,565	48c	63,123
	49	Grants receivable			22,400	49	0
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a	Other notes & loans receivable (attach sch)	51a	1,567,756			
		b Less allowance for doubtful accounts	51b	0	1,517,500	51c	1,567,756
	52	Inventories for sale or use				52	
	53	Prepaid expenses and deferred charges				53	
	54	Investments – securities (attach schedule)				54	
	55a	Investments – land, buildings, & equipment basis	55a	<input type="checkbox"/> Cost <input type="checkbox"/> FMV 2,273,292			
		b Less accumulated depreciation (attach schedule)	55b	537,381	1,457,285	55c	1,735,911
	56	Investments – other (attach schedule)		L-56 Stmt	693,279	56	925,531
	57a	Land, buildings, and equipment basis	57a	441,191			
		b Less accumulated depreciation (attach schedule)	57b	100,354	380,913	57c	340,837
	58	Other assets (describe ▶ See Line 58 Stmt)			184,194	58	425,855
59	Total assets (add lines 45 through 58) (must equal line 74)			4,471,392	59	5,140,062	
LIABILITIES	60	Accounts payable and accrued expenses		57,370	60	21,014	
	61	Grants payable			61		
	62	Deferred revenue				62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a	Tax exempt bond liabilities (attach schedule)				64a	
		b Mortgages and other notes payable (attach schedule)			3,492,220	64b	3,603,484
	65	Other liabilities (describe ▶ See Line 65 Stmt)			176,580	65	101,561
66	Total liabilities (add lines 60 through 65)			3,726,170	66	3,726,059	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74						
	67	Unrestricted		636,320	67	1,296,361	
	68	Temporarily restricted		108,902	68	117,642	
	69	Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74						
	70	Capital stock, trust principal, or current funds				70	
	71	Paid in or capital surplus, or land, building, and equipment fund				71	
	72	Retained earnings, endowment, accumulated income, or other funds				72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)			745,222	73	1,414,003
	74	Total liabilities and net assets/fund balances (add lines 66 and 73)			4,471,392	74	5,140,062

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.

BAA

Part VI Other Information (See specific instructions)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78 b If 'Yes,' has it filed a tax return on Form 990-T for this year?		X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81 a Enter direct or indirect political expenditures. See line 81 instructions. <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 b Did the organization file Form 1120-POL for this year?		X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82 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.)		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 a 501(c)(4), (5) or (6) organizations. Were substantially all dues nondeductible by members?		
85 b Did the organization make only in house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85 c Dues, assessments, and similar amounts from members		
85 d Section 162(e) lobbying and political expenditures		
85 e Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices		
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85 g Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?		
85 h If Section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86 a 501(c)(7) organizations. Enter initiation fees and capital contributions included on line 12		
86 b Gross receipts, included on line 12, for public use of club facilities		
87 a 501(c)(12) organizations. Enter gross income from members or shareholders		
87 b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations Sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
89 a 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under Section 4911 <u>0</u> , Section 4912 <u>0</u> , Section 4955 <u>0</u>		
89 b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any Section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
90 a List the states with which a copy of this return is filed <u>Illinois</u>		
90 b Number of employees employed in the pay period that includes March 12, 2001 (see instructions)		29
91 The books are in care of <u>Brad Roos</u> Telephone number <u>(815) 964-8280</u> Located at <u>524 7th Street, Rockford</u> IL ZIP + 4 <u>61104</u>		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax exempt interest received or accrued during the tax year <u>92</u>		

Part VII Analysis of Income-Producing Activities (See 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	
93 Program service revenue					
a Workshop Sales					123,118
b Amort-Def Mtgs					611,107
c Developer and Other Fees					527,674
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					59,457
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt financed property					-114,952
b not debt financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b Miscellaneous					14,313
c					
d					
e					
104 Subtotal (add columns (B) (D), and (E))					1,220,717
105 Total (add line 104, columns (B), (D), and (E))					1,220,717

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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)
95	Timing of revenue creates the opportunity for short-term investment interest to supplement program revenue
97a	Housing rented to economically disadvantaged individuals provides affordable housing
103b	All supplementary income is used to help implement program objectives

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

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

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

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.

Date 11/9/02

S DIRECTOR

Schedule A
(Form 990 or 990-EZ)

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

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1)
Nonexempt Charitable Trust Supplementary Information - (See separate instructions)

2001

Supplementary Information - (see separate instructions)

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

Zion Development Corporation

Employer Identification Number

36-3229794

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions List each one If there are none, enter 'None')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000 ▶ None				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See 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 ▶ None		

Part III Statements About Activities (See instructions)

	Yes	No
<p>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 1 of Part VI-B)</p> <p>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</p>		X
<p>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)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: center;">See Pt V, Fm 990</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)</p>		X
<p>4 Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments</p>		

Part IV Reason for Non-Private Foundation Status (See instructions)

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

Provide the following information about the supported organizations (See instructions)

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

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See 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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total								
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	512,651	469,299	144,278	227,988	1,354,216								
16 Membership fees received	0	0	0	0	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	964,841	690,176	751,155	564,928	2,971,100								
18 Gross income from interest, dividends, amounts received from payments on securities loans (Section 512(a)(5)), rents, royalties, and unrelated business taxable income (less Section 511 taxes) from businesses acquired by the organization after June 30, 1975	14,548	444	1,183	486	16,661								
19 Net income from unrelated business activities not included in line 18	0	0	0	0	0								
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0	0	0	0	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	0	0	0	0								
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	10,570	3,403	7,688	7,470	29,131								
23 Total of lines 15 through 22	1,502,610	1,163,322	904,304	800,872	4,371,108								
24 Line 23 minus line 17	537,769	473,146	153,149	235,944	1,400,008								
25 Enter 1% of line 23	15,026	11,633	9,043	8,009									
26 Organizations described on lines 10 or 11	<p>a Enter 2% of amount in column (e), line 24</p> <p>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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts</p> <p>c Total support for Section 509(a)(1) test. Enter line 24, column (e)</p> <p>d Add: Amounts from column (e) for lines</p> <table style="margin-left: 20px;"> <tr> <td>18</td> <td>16,661</td> <td>19</td> <td>0</td> </tr> <tr> <td>22</td> <td>29,131</td> <td>26b</td> <td>0</td> </tr> </table> <p>e Public support (line 26c minus line 26d total)</p> <p>f Public support percentage (line 26e (numerator) divided by line 26c (denominator))</p>				18	16,661	19	0	22	29,131	26b	0	<p>▶ 26a 28,000</p> <p>▶ 26b 0</p> <p>▶ 26c 1,400,008</p> <p>▶ 26d 45,792</p> <p>▶ 26e 1,354,216</p> <p>▶ 26f 96.73%</p>
18	16,661	19	0										
22	29,131	26b	0										
27 Organizations described on line 12	<p>a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year</p> <p>(2000) _____ (1999) _____ (1998) _____ (1997) _____</p> <p>b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year</p> <p>(2000) _____ (1999) _____ (1998) _____ (1997) _____</p> <p>c Add: Amounts from column (e) for lines</p> <table style="margin-left: 20px;"> <tr> <td>15</td> <td>_____</td> <td>16</td> <td>_____</td> </tr> <tr> <td>17</td> <td>_____</td> <td>21</td> <td>_____</td> </tr> </table> <p>d Add: Line 27a total _____ and line 27b total _____</p> <p>e Public support (line 27c total minus line 27d total)</p> <p>f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ 27f _____</p> <p>g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g _____ %</p> <p>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h _____ %</p>				15	_____	16	_____	17	_____	21	_____	
15	_____	16	_____										
17	_____	21	_____										
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, 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 instructions)
 (To be completed Only by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if No, please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev Proc 75 50, 1975 2 C B 587, covering racial nondiscrimination? If No, attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed Only by an eligible organization that filed Form 5768)

N/A

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

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots non taxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

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

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			
If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities			

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

2001

Name of Organization

Zion Development Corporation

Employer Identification Number

36-3229794

Organization type (check one)

Filers of

Form 990 or 990 EZ

Section

- 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 box(es) 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 **must** check the box in the heading of their Form 990, Form 990 EZ, or on line 1 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)

BAA

Schedule B (Form 990, 990 EZ, or 990 PF) (2001)

Name of Organization

Employer Identification Number

Zion Development Corporation

36-3229794

Part I Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	----- ----- ----- -----	\$ 48,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize)				
Disposal of Leasehold	44,432	44,432	0	0
Dues	2,826	0	2,826	0
Film Processing	479	119	360	0
Insurance	65,996	18,270	47,726	0
Miscellaneous	11,127	10,455	672	0
Office Expenses	23,189	11,402	11,110	677
Outside Services	10,031	2,781	7,250	0
Real Estate Taxes	8,623	8,623	0	0
Trash Removal	3,582	3,345	237	0
Wellness Program	71,791	71,711	80	0
Total	242,076	171,138	70,261	677

Form 990, Page 3, Part IV, Line 56

Investments - Other Statement

Line 56 – Investments - Other.	Beginning of Year	End of Year
Investment in LLC - Longwood Plaza	310,653	310,653
Investment in LLC - 528 Seventh Street	32,626	32,626
Investment in LP - Grand Apartments	350,000	582,252
Total	693,279	925,531

Form 990, Page 3, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets.	Beginning of Year	End of Year
Meter deposits, other	14,377	8,043
Developer fee receivable- Longwood Plaza, LP	169,817	167,563
Developer fee receivable- Grand Ave Apts, LP	0	250,249
Total	184,194	425,855

Form 990, Page 3, Part IV, Line 65

Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
Tenant deposits	13,337	14,972
Accrued payroll taxes	16,251	8,587
Accrued payroll	28,253	25,872
Accrued real estate taxes	75,341	49,938
Other long term liabilities	2,298	2,192
Advanced payments - grants	41,100	0

Form 990, Page 3, Part IV, Line 65
Other Liabilities Statement

Continued

Line 65 - Other Liabilities	Beginning of Year	End of Year
Total	<u>176,580</u>	<u>101,561</u>

ZION DEVELOPMENT CORPORATION
FEIN 36-3229794
Form 990, Part IV, Line 57
June 30, 2002

ASSETS

Description	Balance at 6/30/2001	Balance at 6/30/2002
Land	14,600 00	14,600 00
Office Building	191,738 00	201,727 00
Building improvements	119,978 00	119,978 00
Office Equipment	39,481 00	39,481 00
Leasehold improvements	56,663 00	11,967 00
Shop Equipment	13,167 00	13,167 00
Vehicles	40,271 00	40,271 00
	<u>475,898 00</u>	<u>441,191 00</u>

Accumulated Depreciation

	Balance at 6/30/2001	Balance at 6/30/2002
Less Accumulated Depreciation	94,985 00	100,354 00
Net assets Part IV, line 57	<u>380,913 00</u>	<u>340,837 00</u>

ZION DEVELOPMENT CORPORATION
FEIN 36-3229794

Form 990, Part V
BOARD MEMBERS

NAME & ADDRESS	EMPLOYMENT
Rev Dr Denver Bitner CHAIRMAN 3523 Northview Road Rockford, IL 61107	Senior Pastor Zion Lutheran Church 925 5 th Ave Rockford, IL 61104
Anton Cooper* 528 Seventh St #3 Rockford, IL 61104	ELLO Furniture
John Crone 2787 Hedge Cliff Dr Rockford, IL 61114	Executive Vice President Belvidere National Bank 600 S Street Belvidere IL 61008
Regina Evans* 528 Seventh St #7 Rockford, IL 61104	Legal Department City of Rockford 425 E State St Rockford, IL 61104
Robert Huffington 811 Paris Ave Rockford, IL 61107	Managing Director RSM McGladrey 501 Seventh St Rockford, IL 61104
Maralyn Johnson SECRETARY 219 Hunter Ave Rockford, IL 61108	Retired
Curtiss Reynolds 427 N Highland Ave Rockford, IL 61107	Retired
Hon Brian Dean Shore 1106 Pine Valley Dr Rockford, IL 61107	Associate Judge Seventeenth Judicial Circuit 400 W State St Rockford, IL 61101
William Sjostrom PRESIDENT 6336 Park Ridge Road Loves Park, IL 61111	Director of Facilities Planning Rock Valley College 3301 N Mulford Rd Rockford, IL 61114-5699
Donald Weir 1111 Winthrop Lane Rockford, IL 61107	Retired
Wayne Dust 5974 Palo Verde Dr Rockford, IL 61114	
Aaron Burns 615 Johns St Rockford, IL 61103	
Peter Schultz* 1055 E State St #309 Rockford, IL 61104	RAMP