

**Return of Organization Exempt from Income Tax**

**2002**

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 2002 calendar year, or tax year beginning Jul 1, 2002, and ending Jun 30, 2003**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See specific instructions.	<b>C</b> Name of organization Zion Development Corporation	<b>D</b> Employer identification number 36-3229794
		Number street (or P O box if mail is not delivered to street addr) Room/suite 524 7th Street	<b>E</b> Telephone number (815) 964-8280
		City town or country State ZIP code + 4 Rockford IL 61104	<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates?  Yes  No

H (b) If Yes enter number of affiliates

H (c) Are all affiliates included?  Yes  No (If No attach a list See instructions)

H (d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

I Enter 4-digit GEN

M Check  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

G Web site

J Organization type (check only one)  501(c) 3 (insert no)  4947(a)(1) or  527

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 968,165

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Instructions)

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	116,586		
b	Indirect public support	1b	143,573		
c	Government contributions (grants)	1c	100,501		
d	Total (add lines 1a through 1c) (cash \$ 360,660 noncash \$ 0)	1d		360,660	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		366,917	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		54,744	
5	Dividends and interest from securities	5			
6a	Gross rents	6a	202,400		
b	Less rental expenses	6b	378,465		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		-176,065	
7	Other investment income (describe )	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
8d		8d			
9	Special events and activities (attach schedule)				
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11		-16,556	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		589,700	
13	Program services (from line 44, column (B))	13		488,466	
14	Management and general (from line 44, column (C))	14		237,603	
15	Fundraising (from line 44, column (D))	15		34,747	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		760,816	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		-171,116	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,414,003	
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		1,242,887	

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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 53,400	0	53,400	0
26 Other salaries and wages	26 243,857	172,976	70,881	0
27 Pension plan contributions	27			
28 Other employee benefits	28 1,398	160	1,238	0
29 Payroll taxes	29 27,367	14,071	13,296	0
30 Professional fundraising fees	30			
31 Accounting fees	31 19,325	3,719	15,606	0
32 Legal fees	32			
33 Supplies	33 2,295	1,097	1,198	0
34 Telephone	34 7,696	2,141	5,555	0
35 Postage and shipping	35 5,542	0	5,542	0
36 Occupancy	36 5,029	2,889	2,140	0
37 Equipment rental and maintenance	37 1,080	8	1,072	0
38 Printing and publications	38			
39 Travel	39 37	37	0	0
40 Conferences, conventions, and meetings	40 4,596	992	3,604	0
41 Interest	41 118,726	96,498	22,228	0
42 Depreciation, depletion, etc (attach schedule)	42 18,201	8,279	9,922	0
43 Other expenses not covered above (itemize)				
a Advertising	43a 2,105	1,194	911	0
b Bank Charges	43b 1,898	0	1,898	0
c Banquet	43c 34,659	0	0	34,659
d Construction Costs	43d 10,610	6,582	4,028	0
e See Other Expenses Stmt	43e 202,995	177,823	25,084	88
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 760,816	488,466	237,603	34,747

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? 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 )	2,161
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 )	473,363
c Chopp1 Leadership Program and other program expenses (Grants and allocations \$ 0 )	12,942
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)	488,466

**Part IV Balance Sheets** (See Instructions)

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

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	45 Cash — non interest-bearing	7,433	45	25,881
	46 Savings and temporary cash investments	73,616	46	89,427
	47a Accounts receivable			
	b Less allowance for doubtful accounts		0	47c
	48a Pledges receivable	46,213		
	b Less allowance for doubtful accounts		63,123	48c
	49 Grants receivable		0	49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51a Other notes & loans receivable (attach sch)	1,567,756		
	b Less allowance for doubtful accounts		1,567,756	51c
	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	2,096,381		
	b Less accumulated depreciation (attach schedule) L-55 Stmt	594,108	1,735,911	55c
56 Investments — other (attach schedule)	L-56 Stmt	925,531	56	
57a Land, buildings, and equipment basis	746,215			
b Less accumulated depreciation (attach schedule) L-57 Stmt	120,079	340,837	57c	
58 Other assets (describe ▶ See Line 58 Stmt )		425,855	58	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)		5,140,062	59	
<b>LIABILITIES</b>	60 Accounts payable and accrued expenses	21,014	60	11,684
	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)	3,603,484	64b	3,585,789
	65 Other liabilities (describe ▶ See Line 65 Stmt )	101,561	65	106,374
66 <b>Total liabilities</b> (add lines 60 through 65)		3,726,059	66	
<b>NET ASSETS OR FUND BALANCES</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	1,296,361	67	1,091,208
	68 Temporarily restricted	117,642	68	151,679
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,414,003	73	1,242,887
	74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)		74	4,946,734

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 IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return			
<b>a</b> Total revenue, gains, and other support per audited financial statements	<b>a</b>	968,165	<b>a</b> Total expenses and losses per audited financial statements	<b>a</b>	1,139,281
<b>b</b> Amounts included on line <b>a</b> but not on line 12, Form 990			<b>b</b> Amounts included on line <b>a</b> but not on line 17, Form 990		
(1) Net unrealized gains on investments \$			(1) Donated services and use of facilities \$		
(2) Donated services and use of facilities \$			(2) Prior year adjustments reported on line 20, Form 990 \$		
(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify) <u>Rental Expenses</u> \$ 378,465			(4) Other (specify) <u>Rental Expenses</u> \$ 378,465		
Add amounts on lines (1) through (4)	<b>b</b>	378,465	Add amounts on lines (1) through (4)	<b>b</b>	378,465
<b>c</b> Line <b>a</b> minus line <b>b</b>	<b>c</b>	589,700	<b>c</b> Line <b>a</b> minus line <b>b</b>	<b>c</b>	760,816
<b>d</b> Amounts included on line 12, Form 990 but not on line <b>a</b> .			<b>d</b> Amounts included on line 17, Form 990 but not on line <b>a</b> .		
(1) Investment expenses not included on line 6b, Form 990 \$			(1) Investment expenses not included on line 6b, Form 990 \$		
(2) Other (specify) ----- \$			(2) Other (specify) ----- \$		
Add amounts on lines (1) and (2)	<b>d</b>		Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b> Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	589,700	<b>e</b> Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	760,816

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see 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 and deferred compensation	(E) Expense account and other allowances
<u>Brad Roos</u> <u>Rockford, IL</u>	Executive Director 40	53,400	0	0
<u>and</u> <u>See attached list</u>	Board of Directors 2	0	0	0
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-----				
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75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶  Yes  No

If 'Yes,' attach schedule - see instructions

**Part VI Other Information** (See 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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	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
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b If 'Yes,' enter the name of the organization ▶ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a	Enter direct or indirect political expenditures. See line 81 instructions.	81a	0
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
85b	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			
85c	c Dues, assessments, and similar amounts from members	85c	
85d	d Section 162(e) lobbying and political expenditures	85d	
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
85h	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?	85h	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	
b Gross receipts, included on line 12, for public use of club facilities.		86b	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		87b	
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	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0, section 4912 ▶ 0, section 4955 ▶ 0		
89b	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	89b	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d Enter Amount of tax on line 89c, above, reimbursed by the organization			
90a	List the states with which a copy of this return is filed ▶ Illinois		
90b	b Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	19
91	The books are in care of ▶ -16556 Telephone number ▶ (815) 964-8280 Located at ▶ 524 7th Street, Rockford IL ZIP + 4 ▶ 61104		
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		

**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 Amort - Def Mtgs					71,960
b Developer and Other Fees					294,957
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	54,744	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt financed property			16	-176,065	
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					-16,556
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				-121,321	350,361
105 Total (add line 104, columns (B), (D), and (E))					229,040

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)
103b	All supplementary income is used to help implement program objectives

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions) N/A

(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
	%			
	%			
	%			
	%			

**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 11/17/2003

Executive 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**

**2002**

**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 and 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
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. <b>▶</b> \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI B )		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.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions )		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
<b>e</b> Transfer of any part of its income or assets?		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below )		X
<b>4</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>Note</b> 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		

**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 )
- 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 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	503,253	512,651	469,299	144,278	1,629,481
<b>16</b> Membership fees received	0	0	0	0	0
<b>17</b> 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	1,471,735	964,841	690,176	751,155	3,877,907
<b>18</b> 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	59,457	14,548	444	1,183	75,632
<b>19</b> Net income from unrelated business activities not included in line 18	0	0	0	0	0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0	0	0	0	0
<b>21</b> 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
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	14,313	10,570	3,403	7,688	35,974
<b>23</b> Total of lines 15 through 22	2,048,758	1,502,610	1,163,322	904,304	5,618,994
<b>24</b> Line 23 minus line 17	577,023	537,769	473,146	153,149	1,741,087
<b>25</b> Enter 1% of line 23	20,488	15,026	11,633	9,043	
<b>26 Organizations described on lines 10 or 11.</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>26a</b> 34,822
<b>b</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 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					<b>26b</b> 0
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e).					<b>26c</b> 1,741,087
<b>d</b> Add: Amounts from column (e) for lines	<b>18</b> 75,632	<b>19</b> 0			<b>26d</b> 111,606
	<b>22</b> 35,974	<b>26b</b> 0			<b>26e</b> 1,629,481
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b> 1,629,481
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 93.59%
<b>27 Organizations described on line 12:</b>					
<b>a</b> 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: (2001) _____ (2000) _____ (1999) _____ (1998) _____					
<b>b</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: (2001) _____ (2000) _____ (1999) _____ (1998) _____					
<b>c</b> Add: Amounts from column (e) for lines	<b>15</b> _____	<b>16</b> _____			<b>27c</b> _____
	<b>17</b> _____	<b>20</b> _____	<b>21</b> _____		
<b>d</b> Add: Line 27a total _____ and line 27b total _____					<b>27d</b> _____
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27e</b> _____
<b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					<b>27f</b> _____
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> _____%
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> _____%
<b>28 Unusual Grants</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement ) ----- ----- -----		
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?		
<b>b</b>	Admissions policies?		
<b>c</b>	Employment of faculty or administrative staff?		
<b>d</b>	Scholarships or other financial assistance?		
<b>e</b>	Educational policies?		
<b>f</b>	Use of facilities?		
<b>g</b>	Athletic programs?		
<b>h</b>	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975 2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		





Form 990, Page 2, Part II, Line 43

**Other Expenses Stmt**

Other expenses not covered above (itemize)	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Dues & Subscriptions	2,133	0	2,133	0
Film Processing	37	6	31	0
Insurance	37,558	24,236	13,322	0
Miscellaneous	1,904	1,166	738	0
Office Expenses	8,018	1,380	6,550	88
Outside Services	-107	-1,126	1,019	0
Real Estate Taxes	2,880	2,880	0	0
Trash Removal	7,770	7,422	348	0
Wellness Program	128,503	128,503	0	0
Bad Debts	900	0	900	0
Facility Improvement	13,399	13,356	43	0
<b>Total</b>	<b>202,995</b>	<b>177,823</b>	<b>25,084</b>	<b>88</b>

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	582,252	582,252
<b>Total</b>	<b>925,531</b>	<b>925,531</b>

Form 990, Page 3, Part IV, Lines 55a &amp; 55b

**Investments - Land, Buildings and Equipment Statement**

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Rental Properties	1,929,156	594,108	1,335,048
Property Held for Development and Sale	167,225	0	167,225
<b>Total</b>	<b>2,096,381</b>	<b>594,108</b>	<b>1,502,273</b>

Form 990, Page 3, Part IV, Lines 57a &amp; 57b

**Land, Buildings and Equipment Statement**

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Land	41,750	0	41,750
Office Buildings	201,101	0	201,101

Form 990, Page 3, Part IV, Lines 57a & 57b  
**Land, Buildings and Equipment Statement**

Continued

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Building Improvements	165,977	41,043	124,934
Office Equipment	40,788	34,352	6,436
Woodworking Equipment	11,967	2,394	9,573
Shop Equipment	13,167	13,167	0
Construction in Progress	230,194	0	230,194
Vehicles	41,271	29,123	12,148
<b>Total</b>	<u>746,215</u>	<u>120,079</u>	<u>626,136</u>

Form 990, Page 3, Part IV, Line 58  
**Other Assets Statement**

Line 58 - Other Assets:	Beginning of Year	End of Year
Meter deposits, other	8,043	2,403
Developer fee receivable- Longwood Plaza, LP	167,563	147,474
Developer fee receivable- Grand Ave Apts, LP	250,249	0
<b>Total</b>	<u>425,855</u>	<u>149,877</u>

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

Line 65 - Other Liabilities:	Beginning of Year	End of Year
Tenant deposits	14,972	11,817
Accrued payroll taxes	8,587	700
Accrued payroll	25,872	22,085
Accrued real estate taxes	49,938	70,550
Other long term liabilities	2,192	1,222
<b>Total</b>	<u>101,561</u>	<u>106,374</u>

**Supporting Statement of:**

Form 990 p 3/Line 50, column (B)

Description	Amount
Due From Affiliates	13,640
Total	<u>13,640</u>

**Supporting Statement of.**

Form 990 p 3/Line 51a

Description	Amount
Note Receivable - Longwood Plaza, LLC	1,517,500
Note Receivable - 528 Seventh Street, LLC	50,256
Total	<u>1,567,756</u>

**Supporting Statement of:**

Form 990 p 3/Line 64b, column (B)

Description	Amount
Short-Term Loans and Advances	457,756
Notes Payable	2,883,233
Deferred Mortgage - Federal Home Loan Bank of Chicago	244,800
Total	<u>3,585,789</u>



