


FORM LM-2 LABOR ORGANIZATION ANNUAL REPORT

MUST BE USED BY LABOR ORGANIZATIONS WITH \$200,000 OR MORE IN TOTAL ANNUAL RECEIPTS AND LABOR ORGANIZATIONS IN TRUSTEESHIP

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.

For Official Use Only  E	1. FILE NUMBER 024 - 200	2. PERIOD COVERED From MO DAY YEAR 0 1 0 1 2 0 0 4 Through MO DAY YEAR 1 2 3 1 2 0 0 4	3. (a) AMENDED - If this is an amended report correcting a previously filed report, check here: <input type="checkbox"/> (b) TERMINAL - If your organization ceased to exist and this is its terminal report, see Section XII of the instructions and check here: <input type="checkbox"/> (c) SUBSIDIARY - If this is a report for a subsidiary organization of your union as defined in Section X of the instructions, check here: <input type="checkbox"/>
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4. AFFILIATION OR ORGANIZATION NAME ENGINEERS, OPERATING, AFL-CIO	8. MAILING ADDRESS First Name M I C H A E L Last Name Z A H N P.O. Box - Building and Room Number (if any) P. O. BOX 3025 Number and Street 3 5 2 0 E A S T C O O K S T R E E T City S P R I N G F I E L D State ZIP Code + 4 I L 6 2 7 0 3 8 - 3 0 2 5
5. DESIGNATION (Local, Lodge, etc.) LU	6. DESIGNATION NUMBER 965
7. UNIT NAME (if any)	
9. Are your organization's records kept at its mailing address? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> (If "No," provide address in Item 75.)	

75. ADDITIONAL INFORMATION Item Number Business Manager signed - he is the Chief Executive Officer for the local.
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Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law, that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete. (See Section VI on penalties in the instructions.)

76. SIGNED: <u>Michael R Zahn</u> 3-29-05 217-528-9659 Date Telephone Number PRESIDENT BUS. Mgr (If other title, see instructions.)	77. SIGNED: <u>John Hornetis</u> 3-29-05 217-237-2533 Date Telephone Number TREASURER (If other title, see instructions.)
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During the Reporting Period Did Your Organization:

- 10. Have a "subsidiary organization" as defined in Section X of the instructions? Yes No
- 11. Create or participate in the administration of a trust or other fund or organization, as defined in the instructions, which provides benefits for members or their beneficiaries? Yes No
- 12. Have a political action committee (PAC) fund? Yes No
- 13. Acquire or dispose of any goods or property in any manner other than by purchase or sale? Yes No
- 14. Have an audit or review of its books and records by an outside accountant or by a parent body auditor/representative? Yes No
- 15. Discover any loss or shortage of funds or other property? Yes No
(Answer "Yes" even if there has been repayment or recovery.)
- 16. Have any officer who was paid \$10,000 or more by your organization and also received \$10,000 or more as an officer or employee of another labor organization or of an employee benefit plan? Yes No
- 17. Liquidate or reduce any liabilities without disbursement of cash? Yes No

(If the answer to any of the above questions is "Yes," provide details in Item 75 as explained in the instructions for each item.)

18. How many members did your organization have at the end of the reporting period? 1 5 9 8

19. What is the date of your organization's next regular election of officers? MO 0 8 YEAR 2 0 0 7

20. What is the maximum amount recoverable under your organization's fidelity bond for a loss caused by any officer or employee of your organization? \$ 1 0 0 0 0 0 0

21. What are your organization's rates of dues and fees? *(Enter a minimum and maximum if more than one rate applies for any line.)*

Rates of Dues and Fees	
(a) Regular Dues/Fees	\$ <u>17 to 37</u> per <u>month</u> <i>(Month, Year, etc.)</i>
(b) Initiation Fees	\$ <u>5 to 400</u>
(c) Transfer Fees	\$ <u>41 to 393</u>
(d) Work Permits	\$ <u>6.50</u> per <u>week</u> <i>(Month, Year, etc.)</i>

22. During the reporting period, did your organization have any changes in its constitution and bylaws (other than rates of dues and fees) or in practices/procedures listed in the instructions? Yes No
(If the constitution and bylaws or practices/procedures have changed, see the instructions.)

23. Were any of your organization's assets pledged as security or encumbered in any other way at the end of the reporting period? Yes No

24. Did your organization have any contingent liabilities at the end of the reporting period? Yes No

(If the answer to Item 23 or 24 is "Yes," provide details in Item 75.)

STATEMENT A - ASSETS AND LIABILITIES

FILE NUMBER: **0 2 4 - 2 0 0**

Complete Schedules 1 Through 15 Before Completing Statement A

Enter Amounts in Dollars Only -- Do Not Enter Cents

	ASSETS		Start of Reporting Period (A)	End of Reporting Period (B)
	Item	From SCH #		
ASSETS	25. Cash.....		2 0 4 3 8 3	2 8 2 2 9 5
	26. Accounts Receivable.....		0	0
	27. Loans Receivable.....	1	0	0
	28. U.S. Treasury Securities.....		0	0
	29. Investments.....	2	3 7 5 3 7 8	1 0 1 1 9 2
	30. Fixed Assets.....	5	9 0 8 0 6 0	1 0 3 6 5 1 0
	31. Other Assets.....	3	0	0
	32. TOTAL ASSETS.....		1 4 8 7 8 2 1	1 4 1 9 9 9 7
LIABILITIES	LIABILITIES		Start of Reporting Period (C)	End of Reporting Period (D)
	Item	From SCH #		
	33. Accounts Payable.....		0	0
	34. Loans Payable.....	8	6 8 3 9 7 4	6 9 7 4 3 2
	35. Mortgages Payable.....		0	0
	36. Other Liabilities.....	4	4 8 7 1	2 1 9 3
	37. TOTAL LIABILITIES.....		6 8 8 8 4 5	6 9 9 6 2 5
38. NET ASSETS (Item 32 less Item 37).....		7 9 8 9 7 6	7 2 0 3 7 2	

STATEMENT B - RECEIPTS AND DISBURSEMENTS

FILE NUMBER: **0 2 4 - 2 0 0**

Complete Schedules 1 Through 15 Before Completing Statement B

Enter Amounts in Dollars Only -- Do Not Enter Cents

CASH RECEIPTS		From SCH #	AMOUNT	CASH DISBURSEMENTS		From SCH #	AMOUNT
Item				Item			
39. Dues.....			1 0 5 8 7 3 6	56. To Officers.....	9		2 2 7 5 6 6
40. Per Capita Tax.....			0	57. To Employees.....	10		1 5 7 6 6 0
41. Fees.....			2 8 1 2 9	58. Per Capita Tax.....			1 5 3 5 1 8
42. Fines.....			0	59. Fees, Fines, Assessments, etc.			0
43. Assessments.....			0	60. Office & Administrative Expense....	13		1 4 6 1 2 4
44. Work Permits.....			0	61. Educational & Publicity Expense...			0
45. Sale of Supplies.....			0	62. Professional Fees.....			9 2 7 4 8
46. Interest.....			1 4 4 4 2	63. Benefits.....	11		2 7 9 9 4 8
47. Dividends.....			4 0 4	64. Contributions, Gifts & Grants.....	12		2 5 3 2 9
48. Rents.....			4 9 5 0	65. Supplies for Resale.....			0
49. Sale of Investments & Fixed Assets.....	6		2 7 0 0 8 6	66. Direct Taxes.....			5 5 5 1 3
50. Loans Obtained.....	8		7 5 1 8 3 4	67. Withholding Taxes.....			1 1 8 6 2 5
51. Repayments of Loans Made.....	1		0	68. Purchase of Investments & Fixed Assets.....	7		2 0 1 2 2 4
52. On Behalf of Affiliates for Transmittal to Them.....			0	69. Loans Made.....	1		0
53. From Members for Disbursement on Their Behalf.....			0	70. Repayment of Loans Obtained.....	8		7 3 8 3 7 6
54. Other Receipts.....	14		2 1 2 3 1 6	71. To Affiliates of Funds Collected on Their Behalf.....			0
				72. On Behalf of Individual Members...			0
				73. Other Disbursements.....	15		6 6 3 5 4
55. TOTAL RECEIPTS.....			2 3 4 0 8 9 7	74. TOTAL DISBURSEMENTS			2 2 6 2 9 8 5

Enter Amounts in Dollars Only -- Do Not Enter Cents

SCHEDULE 1 – LOANS RECEIVABLE

List below loans to officers, employees, or members which at any time during the reporting period exceeded \$250 and list all loans to business enterprises regardless of amount. (A)	Loans Outstanding at Start of Period (B)	Loans Made During Period (C)	Repayments Received During Period		Loans Outstanding at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1.					
2.					
3.					
4. Totals from additional pages (if any)					
5. Totals of loans not listed above	0	0	0	0	0
6. Totals of Lines 1 through 5	0	0	0	0	0
The totals from Line 6 are entered in..... Item 27 Item 69 Item 51 Item 75 Item 27					
Column (A) with Explanation Column (B)					

SCHEDULE 2 - INVESTMENTS (OTHER THAN U.S. TREASURY SECURITIES)

FILE NUMBER: 024 - 200

SCHEDULE 3 - OTHER ASSETS

Description (A)	Amount (B)
Marketable Securities	
1. Total Cost	1 0 0 0 0 0
2. Total Book Value	1 0 1 1 9 2
3. List each marketable security which has a book value over \$1,000 and exceeds 20% of Line 2.	
(a) Corporate Bonds	1 0 1 1 9 2
(b) _____	
(c) _____	
(d) _____	
Other Investments	
4. Total Cost	0
5. Total Book Value	0
6. List each other investment which has a book value over \$1,000 and exceeds 20% of Line 5. Also list each subsidiary for which separate reports are attached.	
(a) None	0
(b) _____	
(c) _____	
(d) _____	
(e) Total from additional pages (if any)	
7. Total of Lines 2 and 5	1 0 1 1 9 2
The total from Line 7 is entered in Item 29, Column (B)	

Description (A)	Book Value (B)
1. None	0
2.	
3.	
4.	
5.	
6. Total from additional pages (if any)	
7. Total of Lines 1 through 6	0
The total from Line 7 is entered in Item 31, Column (B)	

SCHEDULE 4 - OTHER LIABILITIES

Description (A)	Amount at End of Period (B)
1. Payroll taxes & other	2 1 9 3
2.	
3.	
4.	
5.	
6. Total from additional pages (if any)	
7. Total of Lines 1 through 6	2 1 9 3
The total from Line 7 is entered in Item 36, Column (D)	

SCHEDULE 5 - FIXED ASSETS

FILE NUMBER: **0 2 4 - 2 0 0**

Description (A)	Cost or Other Basis (B)	Total Depreciation or Amount Expensed (C)	Book Value (D)	Fair Market Value (E)
1. Land (give location): 3520 East Cook	9 8 8 8 6		9 8 8 8 6	1 0 2 0 0 0
2. Totals from additional pages (if any)				
3. Buildings (give location): 3520 East Cook	8 1 0 8 8 6	1 5 5 9 3	7 9 5 2 9 3	8 1 0 0 0 0
4. Totals from additional pages (if any)				
5. Automobiles and Other Vehicles	9 1 5 5 2	7 6 8 0 9	1 4 7 4 3	1 5 0 0 0
6. Office Furniture and Equipment	9 0 1 2 5	2 1 4 9 4	6 8 6 3 1	7 0 0 0 0
7. Other Fixed Assets	8 8 4 6 9	2 9 5 1 2	5 8 9 5 7	6 0 0 0 0
8. Totals of Lines 1 through 7	1 1 7 9 9 1 8	1 4 3 4 0 8	1 0 3 6 5 1 0	1 0 5 7 0 0 0
The total from Line 8, Column (D) is entered in.....				Item 30, Column (B)

SCHEDULE 6 - SALE OF INVESTMENTS AND FIXED ASSETS

Description (if land or buildings, give location) (A)	Cost (B)	Book Value (C)	Gross Sales Price (D)	Amount Received (E)
1. Certificate of Deposit	95 000	95 000	95 086	95 086
2. GMAC Corporate Bond	75 000	75 000	75 000	75 000
3. GMAC Corporate Bond	100 000	100 000	100 000	100 000
4.				
5. Totals from additional pages (if any)				
6. Totals of Lines 1 through 5	270 000	270 000	270 086	270 086
	7. Less Reinvestments			0
	8. Net Sales			2 7 0 0 8 6
The total from Line 8 is entered in				Item 49

SCHEDULE 7 – PURCHASE OF INVESTMENTS AND FIXED ASSETS

FILE NUMBER: **0 2 4 - 2 0 0**

Description (if land or buildings, give location) (A)	Cost (B)	Book Value (C)	Cash Paid (D)
1. Additions to complete new building at 3520 East Cook St.	74157	74157	74157
2. Land Improvements at 3520 East Cook St.	56354	56354	56354
3. Office furniture & equipment	70713	70713	70713
4.			
5. Totals from additional pages (if any)			
6. Totals of Lines 1 through 5	201224	201224	201224
7. Less Reinvestments			0
8. Net Purchases			201224
The total from Line 8 is entered in Item 68			

SCHEDULE 8 -- LOANS PAYABLE

Source of Loans Payable at Any Time During the Reporting Period (A)	Loans Owed at Start of Period (B)	Loans Obtained During Period (C)	Repayment Made During Period		Loans Owed at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1. United Community Bank	683974	0	683974	0	0
2. Bank One	0	751834	54402	0	697432
3.					
4.					
5. Totals from additional pages (if any)					
6. Totals of Lines 1 through 5	683974	751834	738376	0	697432
The total from Line 6 is entered in Item 34 Item 50 Item 70 Item 75 Item 34					
Column (C) with Explanation Column (D)					

SCHEDULE 9 - ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

FILE NUMBER: **0 2 4 - 2 0 0**

(A) Name <small>(List all persons who held office during the reporting period even if they received no salary or other disbursements.)</small>		Status (C)*	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Disbursements for Official Business (F)	Other Disbursements (G)	Total (H)
(B) Title <small>(Enter title of officer, such as PRESIDENT or TREASURER.)</small>							
1.	ZAHN MICHAEL BUS. MANAGER	C	7 4 0 4 7	0	1 1 8 3 1	0	8 5 8 7 8
2.	KLIEN JOE PAST VP	P	6 2 6 3 9	0	5 9 9 4	0	6 8 6 3 3
3.	FOX WALT PRESIDENT	C	0	0	8 6 5	0	8 6 5
4.	LEACH LARRY VICE PRESIDENT	C	0	0	9 9 5	0	9 9 5
5.	CLARK TIM RECORDER/SEC.	C	0	0	8 4 0	0	8 4 0
6.	NASES TOMMY PAST TREASURER	P	3 8 0 2 5	0	1 1 4 2	0	3 9 1 6 7
7.	RENOUD LARRY AUDITOR	P	6 1 3 6 0	0	5 5 1 9	0	6 6 8 7 9
8. Totals from additional pages (if any)			6 3 9 2 4	0	2 9 2 9	0	6 6 8 5 3
9. Totals of Lines 1 through 8			2 9 9 9 5	0	3 0 1 1 5	0	3 3 0 1 1 0
					10. Less Deductions	1 0 2 5 4 4	
The total from Line 11 is entered in Item 56					11. Net Disbursements	2 2 7 5 6 6	

*Code for Status (C): past officer - P; continuing officer - C; new officer during the reporting period - N.

(If any officer was not elected at a regular election in accordance with your organization's constitution and bylaws, explain in Item 75.)

SCHEDULE 10 - DISBURSEMENTS TO EMPLOYEES

FILE NUMBER: **0 2 4 - 2 0 0**

(A) Name <small>(List all employees who received more than \$10,000 in total disbursements from your organization and any affiliates.)</small>	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Disbursements for Official Business (F)	Other Disbursements (G)	Total (H)
(B) Position <small>(Enter employee's job title.)</small>					
(C) Name of Affiliated Organization <small>(if applicable)</small>					
1. CLEARY GREG BUSINESS REP	6 1 3 6 0	0	4 6 1 3	0	6 5 9 7 3
2. GRIEVE STEPHANIE OFFICE STAFF	1 2 3 0 8	0	1 0 0	0	1 2 4 0 8
3. MALONE MARY OFFICE STAFF	1 9 3 5 0	0	0	0	1 9 3 5 0
4. PROSE TINA OFFICE STAFF	2 4 8 4 6	0	0	0	2 4 8 4 6
5. SMITH ROGER OFFICE STAFF	6 8 6 1 9	0	4 7 2	0	6 9 0 9 1
6. Totals from additional pages (if any)					
7. Totals for all employees who, during the reporting period, received \$10,000 or less in total disbursements from your organization and any affiliates	1 8 0 5 5	0	9 9 5	0	1 9 0 5 0
8. Totals of Lines 1 through 7	2 0 4 5 3 8	0	6 1 8 0	0	2 1 0 7 1 8
[Hatched area]			9. Less Deductions	5 3 0 5 8	
The total from Line 10 is entered in Item 57			10. Net Disbursements	1 5 7 6 6 0	

SCHEDULE 11 - BENEFITS

FILE NUMBER: 0 2 4 - 2 0 0

Description (A)	To Whom Paid (B)	Amount (C)
1. Health & Welfare	LU 965 Health Ben. Plan	8 2 6 6 7
2. Pension	UOE Cent. & Gen. Pension	1 2 6 9 4 2
3. Death Benefits	Members' Beneficiaries	9 1 7 7
4. Life Member Dues	Members	5 7 5 6 0
5. Total from additional pages (if any)		3 6 0 2
6. Total of Lines 1 through 5		2 7 9 9 4 8
The total from Line 6 is entered in Item 63		

SCHEDULE 12 - CONTRIBUTIONS, GIFTS & GRANTS

Description (A)	Amount (B)
1. Political contributions	1 3 1 2 5
2. Charitable	2 6 8 8
3. Related organizations	9 5 1 6
4.	
5.	
6.	
7. Total from additional pages (if any)	
8. Total of Lines 1 through 7	2 5 3 2 9
The total from Line 8 is entered in Item 64	

SCHEDULE 13 - OFFICE & ADMINISTRATIVE EXPENSE

Description (A)	Amount (B)
1. Telephone	1 4 0 4 2
2. Utilities	7 0 3 1
3. Fundraising	6 9 6 2
4. Insurance-Work Comp	3 3 2 9
5. Insurance-Liability	7 3 2
6. Insurance-Other	1 1 8 7
7. Total from additional pages (if any)	1 1 2 8 4 1
8. Total of Lines 1 through 7	1 4 6 1 2 4
The total from Line 8 is entered in Item 60	

SCHEDULE 14 - OTHER RECEIPTS

Description (A)	Amount (B)
1. Organization grant	8 0 0 0 0
2. Fundraising	2 1 2 3 7
3. Other	7 7 8 8
4. Reimb from OEASICCI	1 0 3 2 9 1
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16. Total from additional pages (if any)	
17. Total of Lines 1 through 16	2 1 2 3 1 6
The total from Line 17 is entered in Item 54	

SCHEDULE 15 - OTHER DISBURSEMENTS

Description (A)	Amount (B)
1. Defense	1 1 2 5
2. Engraving	8 5 4
3. Flowers	1 2 8 4
4. Other Per Capita Tax	1 7 0 4 9
5. Miscellaneous	9 0 6 5
6. Other payroll deductions	3 6 9 7 7
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16. Total from additional pages (if any)	
17. Total of Lines 1 through 16	6 6 3 5 4
The total from Line 17 is entered in Item 73	

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

ENDING DATE OF PERIOD COVERED:
12/31/2004

FILE NUMBER: **0 2 4 - 2 0 0**

SCHEDULE 9 - ALL OFFICERS AND DISBURSEMENTS TO OFFICERS (continued)

(A) Name <i>(List all persons who held office during the reporting period even if they received no salary or other disbursements.)</i>	Status (C)*	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Disbursements for Official Business (F)	Other Disbursements (G)	Total (H)
(B) Title <i>(Enter title of officer, such as PRESIDENT or TREASURER.)</i>						
LORNITIS JOHN TREASURER	C	0	0	4 6 7	0	4 6 7
LEFFLER GEORGE FIN. SECRETARY	C	6 3 9 2 4	0	2 4 6 2	0	6 6 3 8 6

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: 0 2 4 - 2 0 0

ENDING DATE OF PERIOD COVERED:
12/31/2004

SCHEDULE 13 – OFFICE & ADMINISTRATIVE EXPENSE (continued)

Description (A)	Amount (B)
Miscellaneous	7 1 9 4
Interest	3 4 5 2 2
Maintenance	1 4 2 6 0
Supplies	1 4 2 9 4
Meeting	1 0 1 9
Mailing Service	1 5 8 3
Bank Service Charges	4 9 9 8
Computer & copier	9 4 5 3
Postage & delivery	7 8 6 4
Printing	9 2 6 9
Rental	1 4 0 6
Subscriptions & publications	1 7
Auto Insurance	6 9 6 2

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: **0 2 4 - 2 0 0**

ENDING DATE OF PERIOD COVERED:
12/31/2004

75. ADDITIONAL INFORMATION

Item Number	
11	<p data-bbox="283 284 945 381">Operating Engineers Local No. 965 Health Benefit Fund 8160 South Cass Avenue Darien, IL 60561-5013</p> <p data-bbox="283 414 1837 446">The fund provides health and temporary disability benefits to qualified participants for whom required contributions have been made.</p>

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: **0 2 4 - 2 0 0**

ENDING DATE OF PERIOD COVERED:
12/31/2004

75. ADDITIONAL INFORMATION(continued)

Item Number	
12	IUOE Local 965 Political Action Committee files a Form D-2 with the Illinois Board of Elections semi-annually.

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: **0 2 4 - 2 0 0**

ENDING DATE OF PERIOD COVERED:
12/31/2004

75. ADDITIONAL INFORMATION (continued)

Item Number	
14	Audit performed by Kerber, Eck & Braeckel LLP, 1000 Myers Bldg., 1 West Old State Capitol Plaza, Springfield, IL 62701-1268, FEIN #43-0352985.

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: 024 - 200

ENDING DATE OF PERIOD COVERED:
12/31/2004

75. ADDITIONAL INFORMATION (continued)

Item Number	
23	Substantially all assets of the organization are pledged as collateral for a note payable.

ORGANIZATION NAME:
ENGINEERS, OPERATING, AFL-CIO

FILE NUMBER: 024 - 200

ENDING DATE OF PERIOD COVERED:
12/31/2004

TRUSTEE SIGNATURES

Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law, that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete. (See Section VI on penalties in the instructions.)

Trustee Sign: William L. Bzant TRUSTEE

Trustee Sign: [Signature] TRUSTEE

3-30-05 217 528-9659
Date Telephone Number

3-30-05 (217)370-1628
Date Telephone Number