

Form **990-EZ**

**Short Form
Return of Organization Exempt From Income Tax**

OMB No 1545 1150

2002

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)
▶ For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year

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 2002, and ending _____

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C **Hands for Peacemaking Foundation**
1818 Holbrook Avenue
Everett, WA 98203

D Employer identification number: 91-1510814

E Telephone number: 425-348-3030

F Enter 4 digit (GEN) ▶ 501c

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

G Accounting method: Cash Accrual Other (specify) ▶ _____

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

I Web site: ▶ N/A

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

K Check 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 Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$100,000 or more, file Form 990 instead of Form 990 EZ. ▶ \$ 96,953.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)			
1	Contributions, gifts, and similar amounts received	1	96,953.
2	Program service revenue including government fees and contracts	2	
3	Membership dues and assessments	3	
4	Investment income	4	
5a	Gross amount from sale of assets other than inventory	5a	
5b	Less cost or other basis and sales expenses	5b	
5c	c Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule)	5c	
6	Special events and activities (attach schedule)		
6a	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
6b	b Less direct expenses other than fundraising expenses	6b	
6c	c Net income or (loss) from special events and activities (line 6a less line 6b)	6c	
7a	7a Gross sales of inventory, less returns and allowances	7a	
7b	b Less cost of goods sold	7b	
7c	c Gross profit or (loss) from sales of inventory (line 7a less line 7b)	7c	
8	8 Other revenue (describe ▶ _____)	8	
9	9 Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	9	96,953.
10	10 Grants and similar amounts paid (attach schedule)	10	61,655
11	11 Benefits paid to or for members	11	
12	12 Salaries, other compensation, and employee benefits	12	12,027.
13	13 Professional fees and other payments to independent contractors	13	1,795
14	14 Occupancy, rent, utilities, and maintenance	14	100.
15	15 Printing, publications, postage, and shipping	15	1,072.
16	16 Other expenses (describe ▶ See Statement 1)	16	9,073.
17	17 Total expenses (add lines 10 through 16)	17	85,722.
18	18 Excess or (deficit) for the year (line 9 less line 17)	18	11,231.
19	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	10,835.
20	20 Other changes in net assets or fund balances (attach explanation)	20	
21	21 Net assets or fund balances at end of year (combine lines 18 through 20)	21	22,066.

Part II Balance Sheets — If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ (See Instructions)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	10,835	22 align="right">22,006.
23 Land and buildings		23
24 Other assets (describe ▶ _____)		24
25 Total assets	10,835	25 align="right">22,006
26 Total liabilities (describe ▶ _____)	0	26 align="right">0
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	10,835	27 align="right">22,066.

SCANNED MAR 18 '03

REVENUE

EXPENSES

ASSETS

LIABILITIES

RECEIVED
MAR 02 2003
OGDEN UT

5

Part III Statement of Program Service Accomplishments (See Instructions)		Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, optional for others)	
What is the organization's primary exempt purpose? Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.			
28	See Attached		
	(Grants \$)	28 a	
29			
	(Grants \$)	29 a	
30			
	(Grants \$)	30 a	
31	Other program services (attach schedule)	(Grants \$)	31 a
32	Total program service expenses (add lines 28a through 31a)		32

Part IV 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
See Attached	None	0	0.	0

Part V Other Information (Note the attachment requirement in the instructions)		See Statement 2	Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity			X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes			X
35	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but NOT reported on Form 990 T, attach a statement explaining your reason for not reporting the income on Form 990 T			
	a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?			X
	b If 'Yes,' has it filed a tax return on Form 990-T for this year?			N/A
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If 'Yes,' attach a statement.)			X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions	37 a	0.	
	b Did the organization file Form 1120-POL for this year?			X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?			X
	b If 'Yes,' attach the schedule specified in the line 38 instructions and enter the amount involved	38 b	N/A	
39	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 9	39 a	N/A	
	b Gross receipts, included on line 9, for public use of club facilities	39 b	N/A	
40a	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.			
	b 501(c)(3) and (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 an explanation			X
	c Amount of tax imposed on organization managers or disqualified persons during the year under 4912, 4955, and 4958			0.
	d Enter Amount of tax on line 40c, above, reimbursed by the organization			0.
41	List the states with which a copy of this return is filed ▶ None			
42	The books are in care of ▶ Pete Kinch Telephone no ▶ 425-348-3030			
	Located at ▶ 1818 Holbrook Ave Everett, W ZIP + 4 ▶ 98203			
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here ▶ N/A			
	and enter the amount of tax exempt interest received or accrued during the tax year ▶ 43			N/A

I am preparing this return on the basis of the accompanying schedules and statements and to the best of my knowledge and belief it is based on all information of which preparer has any knowledge.

Date: 2/21/03
 Type or print name and title: CAROL I. WILLIAMS
 SEC/TREAS

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

Hands for Peacemaking Foundation

Employer identification number

91-1510814

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 ▶	0			

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 ▶	0	

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. ▶ \$ <u>N/A</u></p> <p>(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
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)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)	X	
4 Do you have a section 403(b) annuity plan for your employees?		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)
- 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
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	100,829	71,816.	25,123.	16,520	214,288.
16 Membership fees received	8,572	3,100	2,800	2,550	17,022
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					
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					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	109,401.	74,916	27,923	19,070	231,310.
24 Line 23 minus line 17	109,401.	74,916.	27,923	19,070.	231,310
25 Enter 1% of line 23	1,094.	749	279.	191	
26 Organizations described on lines 10 or 11:	<p>a Enter 2% of amount in column (e), line 24 N/A</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 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.</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 18 _____ 19 _____ 22 _____ 26b _____</p> <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>				<p>26a _____</p> <p>26b _____</p> <p>26c _____</p> <p>26d _____</p> <p>26e _____</p> <p>26f _____ %</p>
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: (2001) _____ 0. (2000) _____ 4,780. (1999) _____ 4,900 (1998) _____ 4,015.</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: (2001) _____ 0 (2000) _____ 0 (1999) _____ 0 (1998) _____ 0</p> <p>c Add: Amounts from column (e) for lines 15 _____ 214,288 16 _____ 17,022 17 _____ 20 _____ 21 _____</p> <p>d Add: Line 27a total _____ 13,695 and line 27b total _____ 0</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 _____ 231,310</p> <p>g Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				<p>27c _____ 231,310.</p> <p>27d _____ 13,695.</p> <p>27e _____ 217,615</p> <p>27g _____ 94.08 %</p> <p>27h _____ 0. %</p>

28 Unusual Grants 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
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 4 01 through 4 05 of Rev Proc 75 50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Hands for Peacemaking Foundation

91-1510814

Statement 1
Form 990-EZ, Part I, Line 16
Other Expenses

Auto Expense	\$	2,500
Bank Charges		466
License & Permits		40
Office expense		2,276
Other Expense		1,421.
Room & Board		240
Supplies		490
Telephone		1,640
Total	\$	<u>9,073.</u>

Statement 2
Form 990-EZ, Part V
Regarding Transfers Associated with Personal Benefit Contracts

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

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

Part III:

The primary purpose of Hands for Peacemaking Foundation is to help the poor, in a remote highland area of Guatemala, to work towards a life of self-sufficiency. We find that many do not have adequate food and a proper diet so we have helped them grow their own fresh vegetables through our Seeds of Life program. Many adults and especially children get sick and die because of the unsanitary drinking water. Our "Water Source" program helps the villagers come up with fresh, safe water supply either by drilling a well or building a spring box.

The Hands for Peacemaking Foundation sponsors village medical trips where we take trained medical professionals to villages that are so remote there is very little possibility that they can get a doctor when they are sick. They are over an 8 mile walk away from the closest medical help of any kind

We work with local Guatemalans which allows us to expand our services to those who are desperately in need