

Form 990

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

OMB No. 1545-0047

2001

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 7/01/01, and ending 6/30/02

B Check if applicable:

- Address change
Name change
Initial return
Final return
Amended return
Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Peace Properties, Inc.

Number and street (or P.O. box if mail is not delivered to street address)

22 Paris Street

Room/suite

City or town, state or country, and ZIP + 4

East Boston MA 02128

D Employer ID number

04-3173140

E Telephone number

617-567-5882

F Accounting method: Cash

Accrual 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).

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.

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

H(b) If "Yes," enter no. of affiliates N/A

H(c) Are all affiliates included? N/A Yes No

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 Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 167,414

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)

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

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

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 (attach schedule) Stmt 2 (cash \$ _____ non-cash \$ 103,938)	22 103,938	103,938		
23	Specific assistance to individuals	23			
24	Benefits paid to or for members	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31 3,500	3,500		
32	Legal fees	32 11,316	11,316		
33	Supplies	33 191		191	
34	Telephone	34			
35	Postage and shipping	35 75	75		
36	Occupancy	36 1,205	1,205		
37	Equipment rental and maintenance	37 3,088	2,643	445	
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (att. sch.)	42 1,764		1,764	
43	Other expenses not covered above (itemize): a	43a			
	b See Statement 3	43b 28,997	3,555	25,442	
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 154,074	126,232	27,842	0

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

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

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
Development and rental low-to-moderate income housing All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a Development of low and moderate-income housing	
(Grants and allocations \$ _____)	121,324
b Rental expenses of low-income housing	
(Grants and allocations \$ _____)	4,908
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	126,232

Part IV Balance Sheets (See Specific Instructions on page 24.)

		(A)		(B)	
		Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
45	Cash-non-interest-bearing	11,638	45	13,497	45
46	Savings and temporary cash investments		46		
47a	Accounts receivable	47a			
b	Less: allowance for doubtful accounts	47b		47c	
48a	Pledges receivable	48a			
b	Less: allowance for doubtful accounts	48b		48c	
49	Grants receivable		49		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
51a	Other notes and loans receivable (attach schedule) See Worksheet	51a 18,780			
b	Less: allowance for doubtful accounts	51b		51c	
52	Inventories for sale or use		52		
53	Prepaid expenses and deferred charges	141	53		
54	Investments-securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54		
55a	Investments-land, buildings, and equipment: basis	55a			
b	Less: accumulated depreciation (attach schedule)	55b		55c	
56	Investments-other (attach schedule)		56		
57a	Land, buildings, and equipment: basis	57a 2,092,529			
b	Less: accumulated depreciation (attach schedule) See Stmt 4	57b 11,567		57c	
58	Other assets (describe		58		
59	Total assets (add lines 45 through 58) (must equal line 74)	3,018,960	59	2,113,239	
60	Accounts payable and accrued expenses	91,213	60	36,954	
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) See Worksheet	2,155,173	64b	1,401,538	
65	Other liabilities (describe See Stmt 5)	497,676	65	488,494	
66	Total liabilities (add lines 60 through 65)	2,744,062	66	1,926,986	
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
67	Unrestricted	-442,940	67	44,129	
68	Temporarily restricted		68		
69	Permanently restricted	717,838	69	142,124	
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; column (B) must equal line 21)	274,898	73	186,253	
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	3,018,960	74	2,113,239	

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26.)

a	Total revenue, gains, and other support per audited financial statements	a	1,992,421
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): See Stmt 6		
	\$ 1,948,592		
	Add amounts on lines (1) through (4)	b	1,948,592
c	Line a minus line b	c	43,829
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): See Stmt 7		
	\$ 21,600		
	Add amounts on lines (1) and (2)	d	21,600
e	Total revenue per line 12, Form 990 (line c plus line d)	e	65,429

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

a	Total expenses and losses per audited financial statements	a	1,889,359
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): See Stmt 8		
	\$ 1,851,403		
	Add amounts on lines (1) through (4)	b	1,851,403
c	Line a minus line b	c	37,956
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): See Stmt 9		
	\$ 116,118		
	Add amounts on lines (1) and (2)	d	116,118
e	Total expenses per line 17, Form 990 (line c plus line d)	e	154,074

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 26.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contrib. to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Key employees are paid by Neighborhood of Affordable Housing, Inc: Schedule attached.		0	0	0
Philip Giffey 96 Warren Road Framingham, MA	Exec Dir. 37.5	0	0	0
Linda Puopolo 11 Avon Street Saugus, MA	Dir Fin & Ad 32	0	0	0
Stacey Chacker 12 Glade Av #1 Jamaica Plain, MA	Dir Comm Dev 37.5	0	0	0
Officer and Directors - Schedule attached		0	0	0

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 Specific Instructions on page 27.

Part VI Other Information (See Specific Instructions on page 27.)

		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	76	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.	77	X
78a	Did the organization have unrelated business gross inc. of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b	If "Yes," enter the name of the organization Schedule attached and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter direct or indirect political expenditures. See line 81 instr.	81a	
b	Did the organization file Form 1120-POL for this year?	81b	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?	82a	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?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
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.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs. 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) orgs. 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 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs. 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		0
90a	List the states with which a copy of this return is filed MA		
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions.)	90b	
91	The books are in care of Corporation Telephone no. 617-567-5882 Located at 22 Paris Street East Boston, MA ZIP + 4 02128		
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 92		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 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 Rental income					22,600
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					39,529
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		0	62,129
105 Total (add line 104, columns (B), (D), and (E))					62,129

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 Specific Instructions on page 32.)

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).
93a	Rent is collected from a related corporation for office space in a building owned by Peace Properties, Inc.
103	Sale of buildings provides home ownership to low-to-moderate income families.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

(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 Specific Instructions on pg. 33.)

(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).

Please Sign Here

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

Signature of officer: Kathy Burlington Date: 2/6/03

Type or print name and title: clear KATHY Burlington

Paid Preparer's Use Only

Preparer's signature: Jane S. Getter Date: 2/04/03 Check if self-employed:

Firm's name (or yours if self-employed): Jane S. Getter, CPA Preparer's SSN or PTIN (See Gen. Instr. W): 04-3038464

address, and ZIP + 4: 331 Page Street, 2nd Floor Phone no.: 781-297-9700

Stoughton, MA 02072

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No. 1545-0047

2001

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

Employer identification number

Peace Properties, Inc.

04-3173140

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee ben. plans & 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 page 2 of the instr. 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**

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

Schedule A (Form 990 or 990-EZ) 2001

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amount on line 38, Part VI-A, or line I of Part VI-B.) 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.	1	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?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of exp. if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X

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.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the 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 page 5 of the 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 page 6 of the instructions.)

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

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

Table with columns: Calendar year (or fiscal year beginning in), (a) 2000, (b) 1999, (c) 1998, (d) 1997, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross inc. from int., dividends, amounts received from pymt. on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revn. levied for the organization's ben. & either paid to it or expended on its behalf; 21 The value of serv. or fac. furnished to the org. by a governmental unit without charge; 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of cap. assets; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23.

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24; 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; c Total support for section 509(a)(1) test: Enter line 24, column (e); d Add: Amounts from column (e) for lines: 18 3,452 19 375,177 22 378,629; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) 89.8793%

27 Organizations described on line 12: 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: N/A

(2000) (1999) (1998) (1997) 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: N/A

c Add: Amounts from column (e) for lines: 15 16 17 20 21; d Add: Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) 27f; g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment Income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

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 page 7 of the 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			

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the 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

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
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-			
Not over \$500,000			
Over \$500,000 but not over \$1,000,000			
Over \$1,000,000 but not over \$1,500,000			
Over \$1,500,000 but not over \$17,000,000			
Over \$17,000,000			
The lobbying nontaxable amount is-			
20% of the amount on line 40			
\$100,000 plus 15% of the excess over \$500,000			
\$175,000 plus 10% of the excess over \$1,000,000	41		
\$225,000 plus 5% of the excess over \$1,500,000			
\$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 on page 11 of the instructions.)

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 nontaxable 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 page 12 of the instr.)

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.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
- (ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

	Yes	No
51a(i)		X
a(ii)	X	
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c	X	

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
a(ii)	103,938	Paz Properties, Inc.	Transfer of real estate
c		Paz Properties, Inc	Peace Properties, Inc. shares
		Shalom Properties, Inc	employees and office facilities
		Siochain Prop, Inc	with Paz Properties, Inc., Shalom Properties, Inc. and Siochain Properties, Inc.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
Paz Properties, Inc.	501(c)(2)	Paz Properties, Inc., Shalom Properties, Inc. and Siochain Properties, Inc. are title
Shalom Properties, Inc	501(c)(2)	holding corporations for Neighbor-
Siochain Prop, Inc.	501(c)(2)	hood of Affordable Housing, Inc.
		a 501(c)(3) corporation which
		shares common Board membership
		with Peace Properties, Inc.

Form 990/990-PF	Other Notes and Loans Receivable	2001
For calendar year 2001, or tax year beginning 7/01/01 , and ending		6/30/02

Name Peace Properties, Inc.	Employer Identification Number 04-3173140
---------------------------------------	---

Form 990, Part IV, Line 51a - Additional Information

Name of borrower	Relationship to disqualified person
(1) Due from Neighborhood of Affordable	
(2) Housing, Inc. (related entity)	
(3) Due from Siochain Properties Limited	
(4) Partnership (related entity)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)			
(2)	410		
(3)			
(4)	17,280	18,780	
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	17,690	18,780	

Mortgages and Other Notes Payable

Form
990/990-PF

2001

For calendar year 2001, or tax year beginning **7/01/01**, and ending **6/30/02**

Name **Peace Properties, Inc.** Employer Identification Number **04-3173140**

Form 990, Part IV, Line 64b - Additional Information

Name of lender	Relationship to disqualified person
(1) Boston Community Loan Fund	n/a
(2) City of Boston Dept of Neighborhood	n/a
(3) Massachusetts Development Fin Agcy	n/a
(4) Massachusetts Housing Partnership Fd	n/a
(5) Local Initiatives Support Corp.	n/a
(6) CEDAC	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				7.000
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) Real estate	Buildings and improvements
(2) N/A	Neighborhood Business Development
(3) N/A	Neighborhood Development
(4) Real estate	Buildings and improvements
(5)	Buildings and improvements
(6) Building and improvements	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	510,678	713,626
(2)	25,000	25,000
(3)	25,000	25,000
(4)	1,297,280	
(5)	297,215	530,965
(6)		106,947
(7)		
(8)		
(9)		
(10)		
Totals	2,155,173	1,401,538

General Footnote

Form 990 Part VI - Other Information

Q. 80b - Related organizations

Neighborhood of Affordable Housing, Inc. 501(c)(3)

Paz Properties, Inc. 501(c)(2)

Shalom Properties, Inc. 501(c)(2)

Siochain Properties, Inc. 501(c)(3)

Form 990 Part V

The work of Peace Properties, Inc. is performed by employees of Neighborhood of Affordable Housing, Inc., a related 501(c)(3) corporation. Peace Properties, Inc. pays management fees for these services. Compensation paid to key employees by Neighborhood of Affordable Housing, Inc. for the year ended 6/30/02 was as follows:

	Compensation	Benefit Plans
Philip Giffie Executive Director	\$ 74,243	\$ 3,628
Linda Puopolo Director of Finance & Admin	\$ 66,468	\$ 5,095
Stacey Chacker Dir of Community Development	\$ 55,100	\$ 2,603

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	Date		Sale Price	How	Whom		Gain/ -Loss
	Acquired	Sold		Rec'd	Sold	Deprec	
Low-to-moderate income real estate				Purchase			
	Various	Various	\$ 141,514	\$ 101,985	\$	\$	39,529
Total			\$ 141,514	\$ 101,985	\$ 0	\$	39,529

Federal Statements**Statement 2 - Form 990, Part II, Line 22 - Grants, Allocations, and Contributions**

Description	Cash Contribution	Noncash Contribution
Grant of net assets to Paz Properties, Inc (related corporation)	\$	\$ 103,938
Total	\$ 0	\$ 103,938

Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Managment fees	1,060	1,060		
Expenses				
Bank charges	115	115		
Filing fees	178	178		
Program expenses	885	453	432	
Property maintenance and util	1,749	1,749		
Property rental				
Management and admin fees	7,330		7,330	
Materials	1,000		1,000	
Pest control	1,000		1,000	
Real estate tax	1,635		1,635	
Repairs and maintenance	8,422		8,422	
Security	1,004		1,004	
Utilities	4,619		4,619	
Total	\$ 28,997	\$ 3,555	\$ 25,442	\$ 0

Federal Statements**Statement 4 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
Buildings and improvements	\$ 78,240	\$ 9,803	\$ 78,240	\$ 11,567
Buildings in development	2,921,054		2,014,289	
Total	\$ 2,999,294	\$ 9,803	\$ 2,092,529	\$ 11,567

Statement 5 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
Escrows and deposits payable	\$ 19,722	\$ 10,950
Due to Neighborhood of Affordable Housing, Inc. (related corporation)	477,954	74,100
Due to Paz Properties, inc. (related corporation)		75,000
Due to NOAH Community Development Fund, Inc. (related corporation)		328,444
Total	\$ 497,676	\$ 488,494

Federal Statements**Statement 6 - Form 990, Part IV-A - Other Revenue Included in Financial Statements**

<u>Description</u>	<u>Amount</u>
Attributable to related corporations on combined financial statements	\$ 1,948,592
Total	\$ <u>1,948,592</u>

Statement 7 - Form 990, Part IV-A - Other Revenue Included on Return

<u>Description</u>	<u>Amount</u>
Combining entries - related corporations	\$ 21,600
Total	\$ <u>21,600</u>

Statement 8 - Form 990, Part IV-B - Other Expenses Included in Financial Statements

<u>Description</u>	<u>Amount</u>
Attributable to related corporations on combined financial statements	\$ 1,851,403
Total	\$ <u>1,851,403</u>

Statement 9 - Form 990, Part IV-B - Other Expenses Included on Return

<u>Description</u>	<u>Amount</u>
Combining entries - related corporations	\$ 116,118
Total	\$ <u>116,118</u>

Federal Statements

Statement 10 - Schedule A, Part III, Question 2c - Furnishing of Goods

Rental of space to Neighborhood of Affordable Housing, Inc. 04-2964630

NEIGHBORHOOD OF AFFORDABLE HOUSING

BOARD OF DIRECTORS

Name	Address
Mary Ellen Welch, Pres.	225 Webster St., East Boston 02128
Kathy Burlinson, VP	14 Leverett Ave., East Boston 02128
Patrice Maye, Treas.	32 Monmouth St., East Boston 02128
Nina Gaeta-Coletta, Sec/Clerk	27 Monmouth St., East Boston 02128
Harold McFadden, Asst. Sec/Clerk	102 Saratoga Street, Apt 1, East Boston 02128
Andrew Bartolini	1109 Broadway, #2 Somerville 02140
Larry Braman	210 Fayerweather Street, Cambridge
Dharmena Downey	140 Bayswater, East Boston 02128
Kim Epstein	56 Warren Street, Boston 02119
Gladys Fuccione	440 Meridian St., B2, East Boston 02128
Roberta Marchi	422 Meridian St., East Boston 02128
Gail Miller	232 Orient Ave, East Boston 02128
Ofelia Pedraza	Santa Fe ServiCenter
Ulises A. Rosa	121 Maverick Street, East Boston 02128
	37 Falcon Street, East Boston 02128

Federal Statements

Schedule A, Part IV-A, Line 26b - Excess Gifts

<u>Donor Name</u>	<u>Total</u>	<u>Excess</u>
Fannie Mae Foundation	\$ 450,000	\$ 375,177
Total	\$ 450,000	\$ 375,177

Form **8868**
(December 2000)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time- Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return. See instructions.	Peace Properties, Inc.	04-3173140
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	22 Paris Street	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	East Boston MA 02128	

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 2/17/03 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year _____ or

▶ tax year beginning 7/01/01 , and ending 6/30/02 .

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ *June P. Hett* Title ▶ **CPA** Date ▶ **11/14/02**

For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)