

Form **990**

OMB No. 1545-0047

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)

2002

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 7/01/02, and ending 6/30/03

<p>B Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p>C Name of organization Peace Properties, Inc.</p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite 22 Paris Street</p> <p>City or town, state or country, and ZIP + 4 East Boston MA 02128</p>	<p>D Employer ID number 04-3173140</p> <p>E Telephone number 617-567-5882</p> <p>F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)</p>
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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 no. of affiliates

H(c) Are all affiliates included? Yes No (If "No," att. a list. See Instr.)

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).

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 **1,481,072**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions.)

R e v e n u e	1	Contributions, gifts, grants, and similar amounts received:		
	a	Direct public support	1a	
	b	Indirect public support	1b	
	c	Government contributions (grants)	1c	578,298
	d	Total (add lines 1a through 1c) (cash \$ <u>578,298</u> noncash \$ _____)	1d	578,298
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	34,800
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	
	5	Dividends and interest from securities	5	
	6a	Gross rents	6a	
	b	Less: rental expenses	6b	
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	
7	Other investment income (describe <input type="checkbox"/>)	7		
8a		(A) Securities		(B) Other
		867,974	8a	
		1,531,494	8b	
		-663,520	8c	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	-663,520	
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	
		Less: cost of goods sold	10b	
c	Gross profit or (loss) from sales of inventory (att. sch.) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	-50,422	
E x p e n s e s	13	Program services (from line 44, column (B))	13	79,910
	14	Management and general (from line 44, column (C))	14	26,946
	15	Fundraising (from line 44, column (D))	15	
	16	Payments to affiliates (attach schedule)	16	
	17	Total expenses (add lines 16 and 44, column (A))	17	106,856
A s s e t s	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-157,278
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	186,253
	20	Other changes in net assets or fund balances (attach explanation)	20	309,875
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	338,850

CLIENT ONLY 2

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 page 21 of the instructions.)

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) (cash \$ _____ non-cash \$ _____)	22			
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 2,000	2,000		
32	Legal fees	32 352	352		
33	Supplies	33 1,141	307	834	
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36 6,970	6,970		
37	Equipment rental and maintenance	37 2,087	2,087		
38	Printing and publications	38			
39	Travel	39 320	320		
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42 1,956		1,956	
43	Other expenses not covered above (itemize): a	43a			
	b See Statement 3	43b 92,030	67,874	24,156	
	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	44 106,856	79,910	26,946	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 page 24 of the instructions.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts; but optional for others.)
<p>► 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.)</p> <p>a Development of low and moderate-income housing</p> <p>(Grants and allocations \$ _____)</p>	79,910
<p>b</p> <p>(Grants and allocations \$ _____)</p>	
<p>c</p> <p>(Grants and allocations \$ _____)</p>	
<p>d</p> <p>(Grants and allocations \$ _____)</p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$ _____)</p>	0
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services)</p>	79,910

Part IV Balance Sheets (See page 24 of the 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
45	Cash - non-interest-bearing	13,497	45	152,510
46	Savings and temporary cash investments		46	
47a	Accounts receivable	54,424		
b	Less: allowance for doubtful accounts		47c	54,424
48a	Pledges receivable			
b	Less: allowance for doubtful accounts		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	18,780		
b	Less: allowance for doubtful accounts		51c	18,780
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges		53	
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
55a	Investments-land, buildings, and equipment: basis			
b	Less: accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment: basis	1,947,757		
b	Less: accumulated depreciation (attach schedule) See Stmt 4	13,523	57c	1,934,234
58	Other assets (describe _____)		58	
59	Total assets (add lines 45 through 58) (must equal line 74)	2,113,239	59	2,159,948
60	Accounts payable and accrued expenses	36,954	60	293,417
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	1,401,538	64b	1,344,513
65	Other liabilities (describe See Stmt 5)	488,494	65	183,168
66	Total liabilities (add lines 60 through 65)	1,926,986	66	1,821,098
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted	44,129	67	-186,696
68	Temporarily restricted		68	
69	Permanently restricted	142,124	69	525,546
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)	186,253	73	338,850
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	2,113,239	74	2,159,948

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 page 26 of the instructions.)

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

a	Total revenue, gains, & other support per audited financial statements	a	2,386,654
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		
	\$ 2,422,048		
	Add amounts on lines (1) through (4)	b	2,422,048
c	Line a minus line b	c	-35,394
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		
	\$ -15,028		
	Add amounts on lines (1) and (2)	d	-15,028
e	Total revenue per line 12, Form 990 (line c plus line d)	e	-50,422

a	Total expenses and losses per audited financial statements	a	2,093,644
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		
	\$ 2,006,621		
	Add amounts on lines (1) through (4)	b	2,006,621
c	Line a minus line b	c	87,023
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		
	\$ 19,833		
	Add amounts on lines (1) and (2)	d	19,833
e	Total expenses per line 17, Form 990 (line c plus line d)	e	106,856

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

(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 Giffie 96 Warren Road Framingham, MA	Exec Dir. 37.5	0	0	0
Linda Puopolo 11 Avon Street Saugus, MA	Dir Fin & Ad 37.5	0	0	0
Patricia Costa 418 Mass Ave Lexington, MA	Dir of Hsing 37.5	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 page 26 of the instructions.

Part VI Other Information (See page 27 of the 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 inc. 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?		
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	
80b	If "Yes," enter the name of the organization Footnote 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.		
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
82b	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.)		
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?	N/A	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
85b	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.	N/A	
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	
85h	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?	N/A	
86a	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
86b	Gross receipts, included on line 12, for public use of club facilities		
87a	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
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>		
89b	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		X
89c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
89d	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 <u>MA</u>		
90b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions.)		
91	The books are in care of <u>Corporation</u> Telephone no. <u>617-567-5882</u> Located at <u>22 Paris Street East Boston, MA</u> ZIP + 4 <u>02128</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions.)

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 _____					
b _____					34,800
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					-663,520
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	-628,720
105 Total (add line 104, columns (B), (D), and (E))					-628,720

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 page 32 of the 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).
93a	Rent is collected from a related corporation for office space in a building owned by Peace Properties, Inc.
101	Sale of buildings provides home ownership to low-to-moderate income families.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the 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).

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 Burlinson Date: 2/12/04

Type or print name and title: KATHY BURLINSON

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 2/09/04 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Jane S. Getter, CPA
331 Page Street, 2nd Floor
Stoughton, MA 02072

Preparer's SSN or PTIN (See Gen. Instr. W): 04-3038464

Phone no.: 781-297-9700

CLIENT COPY

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

2002

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) 2002

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

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶\$ _____ (Must equal amount on line 38, Part VI-A, or line I 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>	<p>1</p>		<p>X</p>
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	<p>2a</p>		<p>X</p>
<p>b Lending of money or other extension of credit? See Stmt 10</p>	<p>2b</p>	<p>X</p>	
<p>c Furnishing of goods, services, or facilities?</p>	<p>2c</p>		<p>X</p>
<p>d Payment of compensation (or payment or reimbursement of exp. if more than \$1,000)? See Part V, Form 990 See Stmt 11</p>	<p>2d</p>	<p>X</p>	
<p>e Transfer of any part of its income or assets?</p>	<p>2e</p>		<p>X</p>
<p>3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)</p>	<p>3</p>		<p>X</p>
<p>4 Do you have a section 403(b) annuity plan for your employees?</p>	<p>4</p>		<p>X</p>

Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 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 5 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.

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.)	3,300	360,000	1,092,102	954,518	2,409,920
16 Membership fees received					
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	22,600	28,960	87,641	106,049	245,250
18 Gross inc. from int., dividends, amounts received from pymt. on securities loans (section 512(a)(5)), rents, royalties, & unrelated busn. taxable inc. (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975		151	549	1,142	1,842
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. Do not incl. the value of serv. or fac. generally furnished to the public 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	25,900	389,111	1,180,292	1,061,709	2,657,012
24 Line 23 minus line 17	3,300	360,151	1,092,651	955,660	2,411,762
25 Enter 1% of line 23	259	3,891	11,803	10,617	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	▶	26a	48,235
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		▶	26b	251,765
c Total support for section 509(a)(1) test: Enter line 24, column (e)		▶	26c	2,411,762
d Add: Amounts from column (e) for lines:	18 <u>1,842</u> 19 _____			
	22 _____ 26b <u>251,765</u>	▶	26d	253,607
e Public support (line 26c minus line 26d total)		▶	26e	2,158,155
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶	26f	89.4846%

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

(2001) _____ (2000) _____ (1999) _____ (1998) _____

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

(2001) _____ (2000) _____ (1999) _____ (1998) _____

c Add: Amounts from column (e) for lines:	15 _____ 16 _____			
	17 _____ 20 _____ 21 _____	▶	27c	
d Add: Line 27a total _____ and line 27b total _____		▶	27d	
e Public support (line 27c total minus line 27d total)		▶	27e	
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))		▶	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		▶	27h	%

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 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?	29		
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?	30		
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?	31		
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?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
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?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
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?	34a		
b Has the organization's right to such aid ever been revoked or suspended?	34b		
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	35		

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.)

Table with columns for line numbers (36-44), descriptions of lobbying expenditures, and columns (a) Affiliated group totals and (b) To be completed for ALL electing organizations.

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.)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for years 2002, 2001, 2000, 1999, and Total, and rows for lines 45-50.

Part VI-B

Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 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:

- 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.)

Table with columns Yes, No, and Amount for each item in the list above.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Form 990/990-PF	Other Notes and Loans Receivable	2002
For calendar year 2002, or tax year beginning 7/01/02 , and ending		6/30/03

Name Peace Properties, Inc.	Employer Identification Number 04-3173140
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Form 990, Part IV, Line 51a - Additional Information

Name of borrower	Relationship to disqualified person
(1) Due from Siochain Properties Limited	
(2) Partnership (related entity)	
(3)	
(4)	
(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)	18,780	18,780	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	18,780	18,780	

Mortgages and Other Notes Payable

Form
990/990-PF

2002

For calendar year 2002, or tax year beginning

7/01/02, and ending

6/30/03

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) Local Initiatives Support Corp.	n/a
(5) CEDAC	
(6) Massachusetts Hsing Investment Corp/	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				7.000
(6) 365,000		7/15/04		7.250
(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)	Buildings and improvements
(5) Building and improvements	
(6)	Land and building
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	713,626	659,927
(2)	25,000	25,000
(3)	25,000	25,000
(4)	530,965	
(5)	106,947	269,586
(6)		365,000
(7)		
(8)		
(9)		
(10)		
Totals	1,401,538	1,344,513

Form 990 - General Footnote

Form 990 Part VI - Other Information

Q. 80b - Related organizations

Peace Properties, Inc. is related to the following exempt organizations through common management, facilities and Board membership:

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)

NOAH Community Development Fund, Inc. 501(c)(3)

Neighborhood of Affordable Housing, Inc. owns 100% of a C corporation, NOAH, Trinity, Inc.

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 6/30/03 was as follows:

	Compensation	Benefit Plans
Philip Giffiee Executive Director	\$ 83,501	\$ 2,495
Linda Puopolo Director of Finance & Admin	\$ 74,002	\$ 4,607
Patricia Costa Directo of Housing	\$ 58,333	\$ 4,800
Stacey Chacker Dir of Community Development	\$ 56,753	\$ 1,477

Federal Statements

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

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
Low-to-moderate income real estate Purchase			Various	Various	\$ 867,974	\$1,531,494	\$	\$ -663,520
Total					<u>\$ 867,974</u>	<u>\$1,531,494</u>	<u>0</u>	<u>\$ -663,520</u>

Federal Statements**Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
Net assets reclassified from NOAH Community Development Fund, Inc. (related corporation)	\$ 309,875
Total	<u>\$ 309,875</u>

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

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Managment fees	1,667	1,667		
Expenses				
Bank charges	217	217		
Consulting fees	65,335	65,335		
Filing fees	50	50		
Property management and admin	10,000		10,000	
Program expenses	630	605	25	
Property maintenance	8,918		8,918	
Property utilities	4,431		4,431	
Security	782		782	
Total	<u>\$ 92,030</u>	<u>\$ 67,874</u>	<u>\$ 24,156</u>	<u>\$ 0</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
Buildings and improvements	\$ 78,240	\$ 11,567	\$ 78,240	\$ 13,523
Buildings in development				
	<u>2,014,289</u>		<u>1,869,517</u>	
Total	<u>\$ 2,092,529</u>	<u>\$ 11,567</u>	<u>\$ 1,947,757</u>	<u>\$ 13,523</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Escrows and deposits payable	\$ 10,950	\$
Due to Neighborhood of Affordable Housing, Inc. (related corporation)	74,100	89,600
Due to Paz Properties, inc. (related corporation)	75,000	75,000
Due to NOAH Community Development Fund, Inc. (related corporation)	<u>328,444</u>	<u>18,568</u>
Total	<u>\$ 488,494</u>	<u>\$ 183,168</u>

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

Description	Amount
Attributable to related corporations on combined financial statements	\$ 2,422,048
Total	\$ <u>2,422,048</u>

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

Description	Amount
Combining entries - related corporations	\$ -15,028
Total	\$ <u>-15,028</u>

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

Description	Amount
Attributable to related corporations on combined financial statements	\$ 2,006,621
Total	\$ <u>2,006,621</u>

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

Description	Amount
Combining entries - related corporations	\$ 19,833
Total	\$ <u>19,833</u>

Federal Statements

Statement 10 - Schedule A, Part III, Line 2b - Lending of Money or Extension of Credit

Due from Paz Properties, Inc. at end of year \$75,000

**Statement 11 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of
Exp**

See Part V, Form 990

Federal Statements**Form 990, Part I, Line 1c - Government Contributions**

<u>Description</u>	<u>Cash</u>	<u>Noncash</u>	<u>Total</u>
City of Boston Dept of Neighborhood Development - Subsidy	\$	\$	\$
26 Court St. Boston, MA 02108	578,298		578,298
Total	<u>\$ 578,298</u>	<u>\$ 0</u>	<u>\$ 578,298</u>

Federal Statements

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

<u>Donor Name</u>	<u>Total</u>	<u>Excess</u>
Fannie Mae Foundation	\$ 300,000	\$ 251,765
Total	\$ 300,000	\$ 251,765

PEACE PROPERTIES, INC.

BOARD OF DIRECTORS

JUNE 30, 2003

President

Mary Ellen Welch

225 Webster St, East Boston, MA 02128

Vice President

Harold McFadden

102 Saratoga St, East Boston, MA 02128

Treasurer

Ulises Rosa

150 Orleans St, East Boston, MA 02128

Secretary/Clerk

Kathy Burlinson

14 Leverett Av, East Boston, MA 02128

Assistant Clerk

Anjie Preston

35 Wordsworth St, East Boston, MA 02128

Board Members

Kathy D'Alessandro

16 Clippership Lane, East Boston, MA 02128

Dharmena Downey

857 Washington St, Gloucester, MA 01930

Kim Epstein

48 Electric Av, Somerville, MA 02144

Nina Gaeta-Coletta

(on leave)

27 Monmouth St, East Boston, MA 02128

Jeff Howe

64 Beal St, Winthrop, MA 02152

Patrice Maye

(on leave)

32 Monmouth St, East Boston, MA 02128

Gail Miller

232 Orient Av, East Boston, MA 02128

Gloribell Mota

115 Everett St, East Boston, MA 02128

Doris Rubio

152 Falcon St, East Boston, MA 02128

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 File by the due date for filing your return. See instructions.	Name of Exempt Organization Peace Properties, Inc.	Employer identification number 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 2/17/04 , 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 7/01/02 , and ending 6/30/03 .

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 J. Pet* Title ▶ **CPA** Date ▶ **11/11/03**

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