

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

1999

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1999, or tax year beginning _____, 1999, and ending _____

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Operacion Esperanza	A Employer identification number 91-1799532 B Telephone number (see page 9 of the instructions) 360-425-2308 C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> G If address changed, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 29,168	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue & Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in col.(a) (see page 9 of the instructions).)				
1 Contributions, gifts, grants, etc., received (attach sch.) <i>St. 1</i>	46,111			
2 Contributions from split-interest trusts				
3 Interest on savings and temporary cash investments	958	958	958	
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or (loss))				
6 Net gain or (loss) from sale of assets not on line 10				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	47,069	958	958	
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach sch.) (see pg. 12 of instr.) <i>See Stmt... 2</i>	1			1
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	20,461			20,461
22 Printing and publications				
23 Other expenses (attach schedule) <i>Stmt... 3</i>	20,058			20,058
24 Total operating and administrative expenses. Add lines 13 through 23	40,520			40,520
25 Contributions, gifts, grants paid				
26 Total expenses and disbursements. Add lines 24 and 25	40,520	0	0	40,520
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	6,549			
b Net investment income (if negative, enter -0-)		958		
c Adjusted net income (if negative, enter -0-)			958	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
ASSETS	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	22,619	29,168	29,168
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)			
	7	Other notes and loans receivable			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations (att. sch.)			
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment: basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule)				
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe)				
16	Total assets (to be completed by all filers - see pg. 15 of the instructions Also, see page 1, item I)	22,619	29,168	29,168	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqual. persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
23	Total liabilities (add lines 17 through 22)	0	0		
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	22,619	29,168	
30	Total net assets or fund balances (see page 16 of the instructions)	22,619	29,168		
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)	22,619	29,168		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	22,619
2	Enter amount from Part I, line 27a	2	6,549
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	29,168
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	29,168

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
N/A			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))

2 Capital gain net income or (net capital loss). $\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$	2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions). If (loss), enter -0- in Part I, line 8.	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1998	17,586		
1997			
1996			
1995			
1994			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 1999 from Part X, line 5	4	25,506
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	10
7 Add lines 5 and 6	7	10
8 Enter qualifying distributions from Part XII, line 4.	8	40,520

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 16.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1 Did the 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:
- (1) Cash **1a(1)** Yes No
- (2) Other assets **a(2)** Yes No
- b Other Transactions:
- (1) Sales of assets to a noncharitable exempt organization **b(1)** Yes No
- (2) Purchases of assets from a noncharitable exempt organization **b(2)** Yes No
- (3) Rental of facilities or equipment **b(3)** Yes No
- (4) Reimbursement arrangements **b(4)** Yes No
- (5) Loans or loan guarantees **b(5)** Yes No
- (6) Performance of services or membership or fundraising solicitations **b(6)** Yes No
- c Sharing of facilities, equipment, mailing lists, other assets, or paid employees **c** Yes No
- 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.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

- 2a 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
N/A		

Part XVIII Public Inspection (see page 26 of the instructions and General Instruction Q)

- 1 Enter the date the notice of availability of the annual return appeared in a newspaper 3/24/00
- 2 Enter the name of the newspaper The Daily News
- 3 Check here to indicate that you have attached a copy of the newspaper notice required by the instructions on page 26. (If the notice is not attached, the return will be considered incomplete.)

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

PLEASE SIGN HERE

Signature of officer or trustee: _____ Date: _____ Title: **Director**

Preparer's signature: James E Lampitt CPA Date: 5/02/00 Check if self-employed Preparer's SSN or PTIN: P00007892

Firm's name (or yours if self-employed) and address: Monroe, DeFrancisco Lampitt PS
884 11th Ave. EIN 91-1251006
Longview, WA ZIP+4 98632

Client 00155

Operacion Esperanza

91-1799532

05/03/00

06:06 pm

Statement 1
Form 990-PF, Part I, Line 1
Contributions, Gifts, and Grants

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contr.
Edwin W. Pauley Foundation		39,061
Direct Contributions less than \$5,000		7,050
Total Direct Contributions		\$ 46,111
Total Contributions		\$ 46,111

Client 00155

Operacion Esperanza

91-1799532

05/03/00

06:06 pm

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax on investments	\$ 1			1
Totals	\$ 1			1

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Annual ad	\$ 18			18
Annual registration fee	10			10
Film	52			52
Food, lodging & transport	5,670			5,670
Fundraising	533			533
Gifts for Ecuadorians	252			252
Medical license	125			125
Office Expense	2,851			2,851
Surgical & medical suppli	10,470			10,470
Telephone	77			77
Totals	\$ 20,058			20,058

Statement 4
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title & avg. Hrs/wk devoted	Comp.	Employee Ben. Pln Contrib.	Expense Account/ Other
Joseph Clawson 215 Newt Estates Road Longview, WA 98632	Dir/ Pres & Tr. None	\$ 0	0	0
Maryann Jensen 2420 Nightingale Lane Kelso, WA 98626	Director/Sec. None	0	0	0
Stephen Pauley	Director None	0	0	0
	Total	\$ 0	0	0

Client 00155

Operacion Esperanza

91-1799532

05/03/00

06:06 pm

Statement 5
Form 990-PF, Part IX-A, Line 1
Summary of Direct Charitable Activities

Direct Charitable Activities

Expenses

Performing facial surgeries on cleft defects and other types of deformities to those in need. These services are performed by a team of medical professionals traveling to third world countries as volunteers. All work is entirely for gratis.

\$ 37,359