

Return of Organization Exempt from Income Tax

2004

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

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 2004 calendar year, or tax year beginning, 2004, and ending

- 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.

The Grassroot Institute of Hawaii, Inc. 1314 South King Street #1163 Honolulu, HI 96814

D Employer Identification Number: 99-0354937
E Telephone number: 808-591-9193
F Accounting method: [X] 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: www.grassrootinstitute.org

J Organization type: [X] 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.

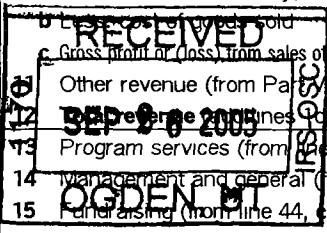
H and I are not applicable to section 527 organizations
H (a) Is this a group return for affiliates? [ ] Yes [X] No
H (b) If 'Yes,' enter number of affiliates
H (c) Are all affiliates included? [ ] Yes [ ] No
H (d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No
I Group Exemption Number
M Check [ ] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 106,057.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes rows for contributions, program service revenue, gross rents, special events, and total expenses.

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**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.

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 (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	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				
32 Legal fees	32				
33 Supplies	33	2,299.	1,724.	114.	461.
34 Telephone	34	3,548.	2,661.	355.	532.
35 Postage and shipping	35	2,136.	1,010.	338.	788.
36 Occupancy	36	6,620.	1,986.	3,310.	1,324.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	5,499.	3,752.	331.	1,416.
39 Travel	39	8,370.	7,186.	592.	592.
40 Conferences, conventions, and meetings	40	4,034.	3,241.	393.	400.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize)					
a Contracted & prof. svc.	43a	34,324.	24,607.	998.	8,719.
b Membership dues	43b	2,011.	2,011.		
c Other	43c	1,632.	437.	391.	804.
d Website	43d	12,485.	9,988.		2,497.
e	43e				
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	82,958.	58,603.	6,822.	17,533.

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 \$ 4,870., (ii) the amount allocated to Program services \$ 4,283., (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ 587..

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? <u>See Statement 2</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>See Statement 3</u>	
(Grants and allocations \$ _____)	58,603.
b _____	
(Grants and allocations \$ _____)	
c _____	
(Grants and allocations \$ _____)	
d _____	
(Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	58,603.

**Part IV Balance Sheets** (See Instructions)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)
		Beginning of year		End of year
ASSETS	45 Cash – non-interest-bearing	28,088.	45	45,786.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable		47 a	
	b Less: allowance for doubtful accounts		47 b	47 c
	48 a Pledges receivable		48 a	
	b Less: allowance for doubtful accounts		48 b	48 c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)		51 a	
	b Less: allowance for doubtful accounts		51 b	51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments – land, buildings, & equipment: basis		55 a	
	b Less: accumulated depreciation (attach schedule)		55 b	55 c
	56 Investments – other (attach schedule)		56	
	57 a Land, buildings, and equipment: basis		57 a	
	b Less: accumulated depreciation (attach schedule)		57 b	57 c
	58 Other assets (describe ▶ _____)		58	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	28,088.	59	45,786.	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ▶ _____)		65	
66 <b>Total liabilities</b> (add lines 60 through 65)	0.	66	0.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	28,088.	67	24,481.
	68 Temporarily restricted		68	21,305.
	69 Permanently restricted		69	
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21)	28,088.	73	45,786.
74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	28,088.	74	45,786.	

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.

BAA

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)**

<b>a</b> Total revenue, gains, and other support per audited financial statements	a	N/A
<b>b</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): _____		
_____ \$ _____		
Add amounts on lines (1) through (4)	b	
<b>c</b> Line a minus line b	c	
<b>d</b> 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): _____		
_____ \$ _____		
Add amounts on lines (1) and (2)	d	
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d)	e	

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

<b>a</b> Total expenses and losses per audited financial statements	a	N/A
<b>b</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): _____		
_____ \$ _____		
Add amounts on lines (1) through (4)	b	
<b>c</b> Line a minus line b	c	
<b>d</b> 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): _____		
_____ \$ _____		
Add amounts on lines (1) and (2)	d	
<b>e</b> Total expenses per line 17, Form 990 (line c plus line d)	e	

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
See Statement 4		0.	0.	0.
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**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 instructions.

Part VI Other Information (See 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 income 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?	N/A	
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
81a	Enter direct and indirect political expenditures See line 81 instructions		
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?	X	
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 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	N/A	
85d	Section 162(e) lobbying and political expenditures	N/A	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 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) organizations Enter: a Initiation fees and capital contributions included on line 12	N/A	
86b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87a	501(c)(12) organizations Enter: a Gross income from members or shareholders	N/A	
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
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 0. ; section 4912 0. ; section 4955 0.		
89b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		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	None	
90b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)		0
91	The books are in care of Dick Rowland Telephone number 808-591-9193 Located at 1314 South King St., #1163, Honolulu, HI ZIP + 4 96814		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	N/A	

**Part VII Analysis of Income-Producing Activities** (See instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					2,473.
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & 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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					2,940.
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))					5,413.
105 Total (add line 104, columns (B), (D), and (E))					5,413.

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 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)
1	See Statement 5

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See 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 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: Walt Harvey Date: 9/16/05

Type or print name and title: WALT HARVEY, Treasurer

**Paid Preparer's Use Only**

Preparer's signature: Natalie J. Iwasa Date: 9/15/05 Check if self-employed:  Preparer's SSN or PTIN (See General Instructions W): N/A

Firm's name (or yours if self-employed), address, and ZIP + 4: NATALIE J IWASA, CPA, INC.  
975 KALUANUI RD  
HONOLULU, HI 96825 EIN: N/A Phone no: (808) 395-3233

**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.)**

**2004**

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

The Grassroot Institute of Hawaii, Inc.

Employer identification number

99-0354937

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				
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Total number of other employees paid over \$50,000 ▶	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
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Total number of others receiving over \$50,000 for professional services ▶	0	

**Part III Statements About Activities** (See instructions.)

	Yes	No
<p><b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line 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>		X
<p><b>2</b> 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 style="text-align: center;"><b>See Statement 6</b></p> <p><b>a</b> Sale, exchange, or leasing of property?</p>	X	
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?	X	
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)		X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

**Part IV Reason for Non-Private Foundation Status** (See instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state ▶** \_\_\_\_\_
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 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)(v). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust Section 170(b)(1)(A)(v). (Also complete the **Support Schedule** in Part IV-A.)
- 12** An organization that normally receives: **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above, or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)



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

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

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	70,065.	24,410.	5,314.		99,789.
<b>16</b> Membership fees received					
<b>17</b> 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	17,271.	6,506.			23,777.
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22	87,336.	30,916.	5,314.		123,566.
<b>24</b> Line 23 minus line 17	70,065.	24,410.	5,314.		99,789.
<b>25</b> Enter 1% of line 23	873.	309.	53.		

**26 Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 **N/A** ▶ **26a**

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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ **26b**

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c**

d Add: Amounts from column (e) for lines **18** \_\_\_\_\_ **19** \_\_\_\_\_  
**22** \_\_\_\_\_ **26b** \_\_\_\_\_ ▶ **26d**

e Public support (line 26c minus line 26d total) ▶ **26e**

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** %

**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.  
 (2003) \_\_\_\_\_ **8,134.** (2002) \_\_\_\_\_ **200.** (2001) \_\_\_\_\_ **0.** (2000) \_\_\_\_\_ **0.**

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:  
 (2003) \_\_\_\_\_ **23,000.** (2002) \_\_\_\_\_ **0.** (2001) \_\_\_\_\_ **0.** (2000) \_\_\_\_\_ **0.**

c Add: Amounts from column (e) for lines **15** \_\_\_\_\_ **16** \_\_\_\_\_  
**17** **23,777.** **20** \_\_\_\_\_ **21** \_\_\_\_\_ ▶ **27c** 123,566.

d Add: Line 27a total **8,334.** and line 27b total **23,000.** ▶ **27d** 31,334.

e Public support (line 27c total minus line 27d total) ▶ **27e** 92,232.

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ **27f** 123,566.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** 74.64 %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** 0. %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See instructions.)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
<b>29</b>	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?		
<b>30</b>	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?		
<b>31</b>	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 ) ----- ----- -----		
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b>	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.) ----- -----		
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?		
<b>b</b>	Admissions policies?		
<b>c</b>	Employment of faculty or administrative staff?		
<b>d</b>	Scholarships or other financial assistance?		
<b>e</b>	Educational policies?		
<b>f</b>	Use of facilities?		
<b>g</b>	Athletic programs?		
<b>h</b>	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</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.		
<b>35</b>	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 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

<b>Limits on Lobbying Expenditures</b>		<b>(a)</b> Affiliated group totals	<b>(b)</b> To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount. Enter the amount from the following table –		
	<b>If the amount on line 40 is –</b>		
	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		
	<b>The lobbying nontaxable amount is –</b>		
	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	<b>41</b>	
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	<b>44</b>	
<b>Caution:</b> 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.)

	<b>Lobbying Expenditures During 4 -Year Averaging Period</b>				
	<b>(a)</b> 2004	<b>(b)</b> 2003	<b>(c)</b> 2002	<b>(d)</b> 2001	<b>(e)</b> Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (See instructions.) N/A  
 (For reporting only by organizations that did not complete Part VI-A)

	Yes	No	Amount
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (add lines <b>c</b> through <b>h</b> .)			

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



**Statement 1  
Form 990, Part I, Line 9  
Net Income (Loss) from Special Events**

Special Events	Gross Receipts	Less Contri- butions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Annual Awards Dinner	8,341.	0.	8,341.	5,401.	2,940.
Total	<u>\$ 8,341.</u>	<u>\$ 0.</u>	<u>\$ 8,341.</u>	<u>\$ 5,401.</u>	<u>\$ 2,940.</u>

**Statement 2  
Form 990, Part III  
Organization's Primary Exempt Purpose**

The purpose of The Grassroot Institute of Hawaii is to improve the relationship between the government and the people with the objective of improving the effectiveness of the government, the business climate and in some cases, tradition, to foster an atmosphere in Hawaii that results in maximum personal freedom for every individual. We recognize that personal freedom comes with the price of personal responsibility, accountability and respect for others. We believe each person must be free to succeed or fail in building wealth and in relationships with others.

**Statement 3  
Form 990, Part III, Line a  
Statement of Program Service Accomplishments**

Description	Grants and Allocations	Program Service Expenses
<p>The Grassroot Institute of Hawaii conducted monthly seminars, meetings and events to inform citizens of public policy issues affecting the state of Hawaii. Specific events include:</p> <p>Geoff Segal, Director of Government Reform and Privatization, Reason Foundation was hosted during the last week of September for a series of panels and talks with policy makers and the general public on privatization issues.</p> <p>Department of the Interior Secretary David Cohen met with local business owners during two separate visits to discuss trade and economic development in the region.</p> <p>Dr. David Tuerck of Beacon Hill Institute was a speaker at our Annual Dinner to present information about the State Tax Analysis Modeling Program.</p> <p>Dr. Lawrence W. Reed of the Mackinac Center in Michigan presented a series of talks about public policy priorities and the process of developing sound policy. He also taught two classes at Hawaii Pacific University. In all, he had eight appearances in two-plus days.</p> <p>The main focus of our efforts in 2004 centered around publications and the timely release of policy research. "Grassroot Perspective" was published five days per week on the website <a href="http://www.hawaiireporter.com">www.hawaiireporter.com</a>. Hits were registered at more than 20,000 per day. In conjunction with Larry Reed's</p>		

The Grassroot Institute of Hawaii, Inc.

99-0354937

**Statement 3 (continued)**  
**Form 990, Part III, Line a**  
**Statement of Program Service Accomplishments**

Description	Grants and Allocations	Program Service Expenses
<p>visit, we developed and published a poster "Seven Principles of Sound Public Policy" which was distributed to policy makers and others involved with Hawaii's political system. GRIH letters to the editor and op-eds published in print media averaged 25 to 30 each week during 2004. Readership of our website <a href="http://www.grassrootinstitute.org">www.grassrootinstitute.org</a> increased threefold from 2003 figures.</p> <p>Grassroot Institute collaborates and partners with other policy organizations to produce timely and accurate information to the general public. We worked with the Americans for Tax Reform to sponsor the Tax Pledge for State Lawmakers; partnered with several other State Policy Network Members to develop a three-year strategic plan for comprehensive education reform in Hawaii. With our assistance, the American Institute for Full Employment (AIFE) completed their work with the Department of Social Services on a plan for Full Employment in Hawaii. This collaborative effort has saved the state an estimated \$250,000.</p>		58,603.
	\$ 0.	\$ 58,603.

**Statement 4**  
**Form 990, Part V**  
**List of Officers, Directors, Trustees, and Key Employees**

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Richard O. Rowland 1314 S. King St. Ste 1163 Honolulu, HI 96814	President 3	\$ 0.	\$ 0.	\$ 0.
Jack Schneider 1788 Kumakani Loop Honolulu, HI 96821	Chairman 2	0.	0.	0.
Dale Evans 680 Ala Moana Blvd., #303 Honolulu, HI 96813	Director .5	0.	0.	0.
Jeff Crawford 413-D Kaelepulu Drive Kailua, HI 96734	Director 1	0.	0.	0.
Fran Egdamin 96-1416 Waihona Place Pearl City, HI 96782	Secretary 1	0.	0.	0.

The Grassroot Institute of Hawaii, Inc.

99-0354937

**Statement 4 (continued)**  
**Form 990, Part V**  
**List of Officers, Directors, Trustees, and Key Employees**

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP &amp; DC</u>	<u>Expense Account/ Other</u>
John Corboy P.O. Box 546 Kaunakakai, HI 96748	Director .5	\$ 0.	\$ 0.	\$ 0.
Malia Zimmerman 111 Hekili St. #240 Kailua, HI 96734	Vice President 1	0.	0.	0.
Walter Harvey 377 Keahole St., #D-10 Honolulu, HI 96825	Treasurer 2	0.	0.	0.
Total		\$ 0.	\$ 0.	\$ 0.

**Statement 5**  
**Form 990, Part VIII**  
**Relationship of Activities to the Accomplishment of Exempt Purposes**

<u>Line #</u>	<u>Explanation of Activities</u>
93a	The Institute holds monthly meetings whereby information and updates relating to its exempt purpose are disseminated to participants. A small fee is charged for attendance.
101	An annual dinner is held each year to recognize members of the community who have contributed to promoting individual liberty, the free market, and limited accountable government. Examples are: government employees who streamline government programs; citizens who contribute to sound public policy formation; and policy advocates.

**Statement 6**  
**Schedule A, Part III, Line 2**  
**Transactions with Trustees, Directors, Etc.**

STATEMENT 1 - PART III, 2a

The organization leased office facilities from a director.

STATEMENT 2 - PART III, 2c

The organization received services provided by businesses owned by directors.

8868

Application for Extension of Time to File an Exempt Organization Return

OMB No. 1545-1-09

Department of the Treasury Internal Revenue Service

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 [X]
If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
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)

Form 990-T corporations requesting an automatic 6-month extension check this box and complete Part I only
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

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted above (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension. Instead, you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Name of Exempt Organization: The Grassroot Institute of Hawaii, Inc.
Employer Identification Number: 99-0354937
Address: 1314 South King Street #1163, Honolulu, HI 96814

Check type of return to be filed (file a separate application for each return)
[X] Form 990
Form 990-BL
Form 990-EZ
Form 990-PF
Form 990-T (corporation)
Form 990-T (section 401(a) or 408(a) trust)
Form 990-T (trust other than above)
Form 1041-A
Form 4720
Form 5277
Form 6069
Form 8870

- The books are in the care of Dick Rowland
Telephone No. 808-591-9193 FAX No.
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-months for a Form 990-T corporation) extension of time until 11/15, 2005 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
[X] calendar year 2004 or
tax year beginning , 20 , and ending , 20
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 refundable credits. See instructions \$ 0.
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 \$ 0.
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 \$ 0.

Caution: If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453 EO and Form 8879 FO to payment instructions.
BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions. Form 8868 (Rev. 12-2004)



If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time – Must File Original and One Copy.**

Type or print  File by the extended due date for filing the return See instructions	Name of Exempt Organization  The Grassroot Institute of Hawaii, Inc.	Employer identification number  99-0354937  For IRS use only
	Number, street, and room or suite number If a P O box, see instructions  1314 South King Street #1163	
	City, town or post office, state, and ZIP code For a foreign address, see instructions  Honolulu, HI 96814	

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

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (section 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in care of  **Dick Rowland**  
Telephone No  808-591-9193 FAX No. \_\_\_\_\_
- 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 organizations four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box . If it is **part** of the group, check this box  and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until 11/15, 2005
- 5 For calendar year 2004, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension Additional time is requested in order to file a complete and accurate return.

- 8a 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, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ \_\_\_\_\_
- c **Balance Due.** Subtract line 8b from line 8a. 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 Natalie J. Iwasa Title CPA Date 8/15/05

**Notice to Applicant – To be Completed by the IRS**

- We **have** approved this application. Please attach this form to the organization's return
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested
- Other: \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** – Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name  NATALIE J IWASA, CPA, INC.
	Number and street (include suite, room or apartment number) or a P O. box number  975 KALUANUI RD
	City or town, province or state, and country (including postal or ZIP code)  HONOLULU, HI 96825