

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

COPY
OMB No. 1545-0052
2007

Department of the Treasury
Internal Revenue Service

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

For calendar year 2007, or tax year beginning _____, **2007, and ending** _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation PACIFIC NORTHWEST FOUNDATION, INC.		A Employer identification number 77-0177829
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 7619 SW 26TH AVENUE		B Telephone number (see the instructions) (503) 977-2660
	City or town State ZIP code PORTLAND OR 97219-2538		C If exemption application is pending, 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		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 3,777,292.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
	(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

	Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)</i>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc. received (att sch)	700.			
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	33,251.	33,251.		
	4 Dividends and interest from securities	83,689.	83,689.		
	5a Gross rents	88,167.	88,167.		
	b Net rental income or (loss)	-83,593.			
	6a Net gain/(loss) from sale of assets not on line 10	49,055.			
	b Gross sales price for all assets on line 6a	981,709.			
	7 Capital gain net income (from Part IV, line 2)		49,055.		
	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/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	254,862.	254,162.			
ADMINISTRATIVE AND EXPENSES	13 Compensation of officers, directors, trustees, etc.	52,000.	26,000.		26,000.
	14 Other employee salaries and wages	31,263.	15,632.		15,632.
	15 Pension plans, employee benefits	122,018.	61,009.		61,009.
	16a Legal fees (attach schedule) L-16a.Stmt	1,500.	1,500.		
	b Accounting fees (attach sch) L-16b.Stmt	7,268.	3,568.		3,700.
	c Other prof fees (attach sch) L-16c.Stmt	17,388.	15,130.		2,258.
	17 Interest				
	18 Taxes (attach schedule) See Line 18 Stmt.	10,420.	6,094.		4,326.
	19 Depreciation (attach sch) and depletion	29,776.	28,324.		
	20 Occupancy				
	21 Travel, conferences, and meetings	298.	298.		
	22 Printing and publications				
	23 Other expenses (attach schedule) See Line 23 Stmt	279,308.	194,784.		84,320.
	24 Total operating and administrative expenses. Add lines 13 through 23	551,239.	352,339.		197,245.
	25 Contributions, gifts, grants paid	1,185.			1,185.
26 Total expenses and disbursements. Add lines 24 and 25	552,424.	352,339.		198,430.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-297,562.				
b Net investment income (if negative, enter -0-)		0.			
c Adjusted net income (if negative, enter -0-)					

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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing		60,797.	49,092.	49,092.
	2	Savings and temporary cash investments		10,324.	163,359.	163,359.
	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 the instructions)				
	7	Other notes and loans receivable (attach sch.)	193,750.			
		Less: allowance for doubtful accounts		254,171.	193,750.	193,750.
	8	Inventories for sale or use			253,744.	253,744.
	9	Prepaid expenses and deferred charges				
	10a	Investments – U.S. and state government obligations (attach schedule)				
	b	Investments – corporate stock (attach schedule) L-10b Stmt		1,331,852.	946,308.	814,057.
	c	Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment: basis	1,861,460.			
	Less: accumulated depreciation (attach schedule) L-11 Stmt	42,893.	2,255,099.	1,818,567.	1,818,567.	
12	Investments – mortgage loans L-12 Stmt		441,315.	441,315.	441,315.	
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment: basis	47,865.				
	Less: accumulated depreciation (attach schedule) L-14 Stmt	4,457.	43,246.	43,408.	43,408.	
15	Other assets (describe					
16	Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)		4,396,804.	3,909,543.	3,777,292.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)		1,068,000.	868,444.	
	22	Other liabilities (describe L-22 Stmt		290.	10,147.	
	23	Total liabilities (add lines 17 through 22)		1,068,290.	878,591.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations 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		3,328,514.	3,030,952.	
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see the instructions)		3,328,514.	3,030,952.		
31	Total liabilities and net assets/fund balances (see the instructions)		4,396,804.	3,909,543.		

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	3,328,514.
2	Enter amount from Part I, line 27a.	2	-297,562.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	3,030,952.
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	3,030,952.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE SCHEDULE 1 ATTACHED	P	Various	Various
b			
c			
d			
e			

(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)
a 981,709.		932,654.	49,055.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	49,055.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	49,055.
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 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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.			
(a) Base period years Calendar year (of tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2006	126,525.	2,546,844.	0.049679
2005	239,291.	3,138,261.	0.076250
2004	247,052.	3,238,632.	0.076283
2003	212,315.	2,886,719.	0.073549
2002	220,026.	3,191,953.	0.068931
2 Total of line 1, column (d)			0.344692
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			0.068938
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5			3,128,555.
5 Multiply line 4 by line 3			215,676.
6 Enter 1% of net investment income (1% of Part I, line 27b)			0.
7 Add lines 5 and 6			215,676.
8 Enter qualifying distributions from Part XII, line 4			198,430.

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.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948— see the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary— see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b.	1	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	0.
6 Credits/Payments:			
a	2007 estimated tax pmts and 2006 overpayment credited to 2007	6 a	4,688.
b	Exempt foreign organizations— tax withheld at source	6 b	
c	Tax paid with application for extension of time to file (Form 8868)	6 c	0.
d	Backup withholding erroneously withheld	6 d	
7	Total credits and payments. Add lines 6a through 6d.	7	4,688.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached.	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,688.
11	Enter the amount of line 10 to be: Credited to 2008 estimated tax 4,500. Refunded	11	188.

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes.</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return or Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions). OR - Oregon		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2007 or the taxable year beginning in 2007 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV.</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

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Part VII-A Statements Regarding Activities *Continued*

11a At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule. (see instructions).....	11a		X
b If 'Yes', did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, an annuities described in the attachment for line 11a?.....	11b		
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract?.....	12		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?..... Website address..... WWW.PNF.ORG	13	X	
14 The books are in care of FRANKLIN C. COOK Telephone no. (503) 977-3226 Located at 7619 SW 26TH AVE.; PORTLAND, ORE ON ZIP + 4 97219-2538			
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year..... 15			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.		Yes	No
1a During the year did the foundation (either directly or indirectly):			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(6) Agree to pay money or property to a government official? Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?..... <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here..... <input type="checkbox"/>	1b		X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007?.....	1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years 20__ , 20__ , 20__ , 20__ .			
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement- see the instructions.).....	2b		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. 20__ , 20__ , 20__ , 20__ .			
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b If 'Yes,' did it have excess business holdings in 2007 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2007.).....	3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?.....	4a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007?.....	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions). Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
If you answered 'Yes' to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (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, other allowances
FRANKLIN C. COOK 7619 SW 26TH; PORTLAND OR 97219	EXEC. VP 40.00	26,000.	93,790.	0.
ANNA M. SALANTI 7619 SW 26TH; PORTLAND OR 97219	PRESIDENT 40.00	26,000.	42,320.	0.
KATHLEEN M. COOK 1900 DANBROOK DR. #516 SACRAMENTO CA 95835	VICE PRES 1.00	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc.		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 see instructions). If 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, other allowances
N/A				

Total number of other employees paid over \$50,000 None

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services— (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		

Total number of others receiving over \$50,000 for professional services None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 ANALYSIS & EDUCATION RE: VARIOUS ASPECTS OF HEALTH	
2 TEST & ANALYZE EQUIPMENT. PUBLISH REPORT ON FOUNDATION'S WEB SITE WITH RESULTS OF ANALYSIS.	184,998.
3 -----	79.
4 -----	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 -----	
2 -----	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a Average monthly fair market value of securities.....	1 a	1,184,485.
b Average of monthly cash balances.....	1 b	147,588.
c Fair market value of all other assets (see instructions).....	1 c	2,712,569.
d Total (add lines 1a, b, and c).....	1 d	4,044,642.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).....	1 e	
2 Acquisition indebtedness applicable to line 1 assets.....	2	868,444.
3 Subtract line 2 from line 1d.....	3	3,176,198.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions).....	4	47,643.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.....	5	3,128,555.
6 Minimum investment return. Enter 5% of line 5.....	6	156,428.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6.....	1	156,428.
2a Tax on investment income for 2007 from Part VI, line 5.....	2 a	0.
b Income tax for 2007. (This does not include the tax from Part VI.).....	2 b	
c Add lines 2a and 2b.....	2 c	0.
3 Distributable amount before adjustments. Subtract line 2c from line 1.....	3	156,428.
4 Recoveries of amounts treated as qualifying distributions.....	4	
5 Add lines 3 and 4.....	5	156,428.
6 Deduction from distributable amount (see instructions).....	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.....	7	156,428.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a Expenses, contributions, gifts, etc— total from Part I, column (d), line 26.....	1 a	198,430.
b Program-related investments— total from Part IX-B.....	1 b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes.....	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required).....	3 a	
b Cash distribution test (attach the required schedule).....	3 b	
4 Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.....	4	198,430.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).....	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4.....	6	198,430.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				156,428.
2 Undistributed income, if any, as of the end of 2006:				
a Enter amount for 2006 only			0.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2007:				
a From 2002	0.			
b From 2003	0.			
c From 2004	9,643.			
d From 2005	244,129.			
e From 2006	126,525.			
f Total of lines 3a through e	380,297.			
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$ 198,430.				
a Applied to 2006, but not more than line 2a				
b Applied to undistributed income of prior years (Election required— see instructions)				
c Treated as distributions out of corpus (Election required— see instructions)	198,430.			
d Applied to 2007 distributable amount				
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a).)	156,428.			156,428.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	422,299.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount— see instructions		0.		
e Undistributed income for 2006. Subtract line 4a from line 2a. Taxable amount— see instructions			0.	
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	422,299.			
10 Analysis of line 9:				
a Excess from 2003	0.			
b Excess from 2004	0.			
c Excess from 2005	97,344.			
d Excess from 2006	126,525.			
e Excess from 2007	198,430.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, enter the date of the ruling. ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test— enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test— enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
N/A

b The form in which applications should be submitted and information and materials they should include:
N/A

c Any submission deadlines:
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
PHYSICIANS FOR SOCIAL RESPONSIBILITY 812 SW WASHINGTON ST., STE 1050 PORTLAND OR 97205		PUBLIC	GENERAL	250.
SOUTHERN NEVADA POP WARNER FOOTBALL 3330 E. SUNRISE AVE. #103 LAS VEGAS NV 89101		PUBLIC	TEAM SPONSORSHIP	800.
OREGON ENVIRONMENTAL COUNCIL 222 NW DAVIS ST # 309 PORTLAND OR 97209		PUBLIC	GENERAL	50.
ANGOLAN HUMANITARIAN		PUBLIC	GENERAL	60.
MEDICALERT FOUNDATION 2323 COLORADO AVE. TURLOCK CA 95382		PUBLIC	GENERAL	25.
Total				3a 1,185.
<i>b Approved for future payment</i>				
Total				3b

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 foundation to a noncharitable exempt organization of:

(1) Cash 1 a (1) X
(2) Other assets 1 a (2) X

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization 1 b (1) X
(2) Purchases of assets from a noncharitable exempt organization 1 b (2) X
(3) Rental of facilities, equipment, or other assets 1 b (3) X
(4) Reimbursement arrangements 1 b (4) X
(5) Loans or loan guarantees 1 b (5) X
(6) Performance of services or membership or fundraising solicitations 1 b (6) X

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees 1 c X

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 foundation. If the foundation 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.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

2a Is the foundation 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 [X]

b If 'Yes,' complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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.

Signature section with fields for Signature of officer or trustee, Preparer's signature, Date, Title, Preparer's SSN or PTIN, Firm's name, address, and ZIP code, EIN, and Phone no.

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
PAYROLL TAXES	7,792.	3,896.		3,896.
FOREIGN TAXES W/HELD ON INV.	198.	198.		
OREGON DEPT. OF JUSTICE	430.			430.
U. S. TREASURY	2,000.	2,000.		
Total	10,420.	6,094.		4,326.

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
BANK CHARGES	383.	383.		
BUSINESS MEALS	407.	203.		
DUES & SUBSCRIPTIONS	1,684.	842.		842.
EMPL BENEFITS & STAFF DEVELOPMENT	3,074.	1,537.		1,537.
IN-HOUSE PROJECTS	60,158.			60,158.
INSURANCE	18,644.	9,322.		9,322.
LICENSES & FEES	105.			105.
MEDICAL EXPENSE	13,755.	6,878.		6,877.
OFFICE EXPENSE	3,665.	1,832.		1,833.
POSTAGE	765.	383.		382.
STORAGE	1,620.			1,620.
TELEPHONE	3,288.	1,644.		1,644.
RENTAL EXPENSES	171,760.	171,760.		
Total	279,308.	194,784.		84,320.

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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, other allowances
Person ... <input checked="" type="checkbox"/> Business ... <input type="checkbox"/> TIM MULVIHILL 306 SW 29TH; PORTLAND OR 97214	BOARD MEMBER 1.00	0.	0.	0.
Person ... <input checked="" type="checkbox"/> Business ... <input type="checkbox"/> ADRIA DODICI 11219 SW 64TH; PORTLAND OR 97219	BOARD MEMBER 1.00	0.	0.	0.

Total

0. 0. 0.

Form 990-PF, Page 1, Part I, Line 16a

L-16a Stmt

Line 16a - Legal Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
ANDERSON LAW GROUP	CONSULTATION - RENTAL	1,500.	1,500.		
Total		<u>1,500.</u>	<u>1,500.</u>		

Form 990-PF, Page 1, Part I, Line 16b

L-16b Stmt

Line 16b - Accounting Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
KAREN L. CASSIDY, C.	ACCTG & TAX RETURNS	3,700.			3,700.
ALEX R. CLEMENS, CPA	QUICK BOOKS CONSULTING	811.	811.		
CRAIG JESSEN	QUICKBOOKS CONSULTING	2,757.	2,757.		
Total		<u>7,268.</u>	<u>3,568.</u>		<u>3,700.</u>

Form 990-PF, Page 1, Part I, Line 16c

L-16c Stmt

Line 16c - Other Professional Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
AIG FINANCIAL ADVISO	INVESTMENT FEES	12,871.	12,871.		
NORTHWEST RETIREMENT	PREP PENSION DOCS	4,453.	2,227.		2,226.
PENSION BENEFIT GUAR	PENSION FEE	64.	32.		32.
Total		<u>17,388.</u>	<u>15,130.</u>		<u>2,258.</u>

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
BROKERAGE SECURITIES PORTFOLIO	946,308.	814,057.
Total	<u>946,308.</u>	<u>814,057.</u>

Form 990-PF, Page 2, Part II, Line 12

L-12 Stmt

Line 12 - Investments - Mortgage loans:	End of Year	
	Book Value	Fair Market Value
GATEPOST	289,990.	289,990.

Form 990-PF, Page 2, Part II, Line 12

Continued

L-12 Stmt

Line 12 - Investments - Mortgage loans:	End of Year	
	Book Value	Fair Market Value
BONANZA #24	74,400.	74,400.
BONANZA #5	76,925.	76,925.
Total	<u>441,315.</u>	<u>441,315.</u>

Form 990-PF, Page 2, Part II, Line 11

L-11 Stmt

Line 11b - Description of Investments Land, Buildings and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
RENTAL PROPERTIES	1,861,460.	42,893.	1,818,567.
Total	<u>1,861,460.</u>	<u>42,893.</u>	<u>1,818,567.</u>

Form 990-PF, Page 2, Part II, Line 14

L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
OFFICE EQUIP/TECH EQUIPMENT - SEE SCHEDULE	47,865.	4,457.	43,408.
Total	<u>47,865.</u>	<u>4,457.</u>	<u>43,408.</u>

Form 990-PF, Page 2, Part II, Line 22

Other Liab Stmt

Line 22 - Other Liabilities:	Beginning Year Book Value	Ending Year Book Value
CREDIT CARD PAYABLE	290.	10,147.
Total	<u>290.</u>	<u>10,147.</u>

Supporting Statement of:

Form 990-PF, p2/Line 21(a)

Description	Amount
WESTAR MORTGAGE - BONANZA PROPERTY	1,068,000.
Total	<u>1,068,000.</u>

Supporting Statement of:

Form 990-PF, p2/Line 8(b)

Description	Amount
BOOK - TBM	253,744.
Total	<u>253,744.</u>

Supporting Statement of:

Form 990-PF, p2/Line 21(b)

Description	Amount
WESTAR MORTGAGE - BONANZA PROPERTY	868,444.
Total	<u>868,444.</u>

SCHEDULE 1

PART IV - Capital Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Proceeds</u>	<u>Cost less Accum Depr plus Selling Costs</u>	<u>Gain (Loss)</u>
1470 shs Amgen Inc.	6/14/2006	10/12/2007	83,626	99,781	(16,155)
1900 shs Dow Chem Co.	6/10/2006	10/29/2007	83,815	80,781	3,034
100 shs Fisperve Inc.	5/31/2006	7/11/2007	5,696	4,357	1,339
1100 shs Franklin Templeton Ltd Duration Fund	4/29/2007	4/13/2007	15,710	14,804	906
200 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	2,892	2,692	200
200 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	2,895	2,692	203
300 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	4,343	4,037	306
470 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	6,804	6,325	479
300 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	4,343	4,037	306
600 shs Franklin Templeton Ltd Duration Fund	6/10/2004	6/6/2007	8,688	8,075	613
200 shs Lexington Corporate Pptys Tr	6/8/2004	5/10/2007	4,193	3,838	355
1000 shs Pfizer Inc	5/15/2006	1/11/2007	25,972	24,935	1,037
1000 shs Pfizer Inc	5/15/2006	1/11/2007	25,976	24,935	1,041
780 shs Popular Inc	6/7/2004	3/12/2007	13,034	16,789	(3,755)
2700 shs Popular Inc	6/7/2004	10/12/2007	33,044	58,114	(25,070)
1400 shs US Bancorp Del	11/23/2001	2/15/2007	50,328	29,351	20,977
2221 W. Bonanza Rd #54; Las Vegas, NV	12/13/2005	8/30/2007	90,000	79,472	10,528
2221 W. Bonanza Rd #25; Las Vegas, NV	3/3/2006	7/24/2007	91,000	92,971	(1,971)
2221 W. Bonanza Rd #48; Las Vegas, NV	9/12/2006	11/20/2007	69,000	69,546	(546)
2221 W. Bonanza Rd #19; Las Vegas, NV	9/12/2006	8/30/2007	90,000	85,346	4,654
2221 W. Bonanza Rd #92; Las Vegas, NV	9/12/2006	7/13/2007	91,000	86,453	4,547
2221 W. Bonanza Rd #95; Las Vegas, NV	9/12/2006	10/19/2007	86,000	69,508	16,492
2221 W. Bonanza Rd #97; Las Vegas, NV	9/12/2006	2/22/2007	93,350	63,815	29,535
			<u>981,709</u>	<u>932,654</u>	<u>49,055</u>

SCHEDULE 2

PART I - LINE 19PART II - LINE 11

	<u>Date</u>	<u>Cost</u>	<u>Accum</u>	<u>Method</u>	<u>Life</u>	<u>Depr</u>
	<u>Purchased</u>		<u>Depr</u>			<u>Expense</u>
9013 Dolente - Building	12/1/2005	108,715	3,953	SL	27.5	3,953
9013 Dolente - Land	12/1/2005	151,993	-	L		-
9013 Dolente - Upgrades	7/31/2007	3,285	-	SL	7	235
2221 W. Bonanza #99 - Building	12/9/2005	23,412	851	SL	27.5	851
2221 W. Bonanza #99 - Land	12/9/2005	31,805	-	L		-
2221 W. Bonanza #23 - Building	3/3/2006	24,598	746	SL	27.5	1,491
2221 W. Bonanza #23 - Land	3/3/2006	33,416	-	L		-
2221 W. Bonanza #23 - Remodel	7/31/2007	2,851	-	SL	7	204
2221 W. Bonanza #41 - Building	4/4/2006	24,064	656	SL	27.5	656
2221 W. Bonanza #41 - Land	4/4/2006	32,691	-	L		-
2221 W. Bonanza #41 - Remodel	9/7/2006	7,667	365	SL	7	365
2221 W. Bonanza #41 - Remodel	7/31/2007	6,618	-	SL	7	473
2221 W. Bonanza (27 units) - Building	9/12/2006	545,603	6,613	SL	27.5	8,116
2221 W. Bonanza (27 units) - Land	9/12/2006	741,197	-	L		-
2221 W. Bonanza #31 - Remodel	11/14/2006	15,508	277	SL	7	2,215
2221 W. Bonanza #70 - Remodel	11/14/2006	15,508	277	SL	7	2,215
2221 W. Bonanza #72 - Remodel	11/14/2006	15,509	277	SL	7	2,216
2221 W. Bonanza #83 - Remodel	11/14/2006	15,508	277	SL	7	2,215
2221 W. Bonanza #84 - Remodel	11/14/2006	15,509	277	SL	7	2,216
2221 W. Bonanza #17 - Remodel	10/31/2007	7,870	-	SL	7	187
2221 W. Bonanza #18 - Remodel	10/31/2007	8,009	-	SL	7	191
2221 W. Bonanza #42 - Remodel	10/31/2007	2,851	-	SL	7	68
2221 W. Bonanza #49 - Remodel	10/31/2007	8,118	-	SL	7	193
2221 W. Bonanza #51 - Remodel	10/31/2007	2,851	-	SL	7	68
2221 W. Bonanza #67 - Remodel	11/23/2007	4,601	-	SL	7	55
2221 W. Bonanza #94 - Remodel	11/22/2007	5,851	-	SL	7	70
2221 W. Bonanza #98 - Remodel	11/22/2007	5,851	-	SL	7	70
		<u>1,861,460</u>	<u>14,569</u>			<u>28,324</u>

PART I - LINE 19PART II - LINE 14

	<u>Date</u>	<u>Cost</u>	<u>Accum</u>	<u>Method</u>	<u>Life</u>	<u>Depr</u>
	<u>Purchased</u>		<u>Depr</u>			<u>Expense</u>
Land/Bldg - Mediterranean Res.		8,995	-			-
Computer	8/31/2003	2,500	1,667	SL	5	500
Computer	6/27/2004	1,959	980	SL	5	392
Technology Assessment Equip.	7/1/2005	28,870	-			-
Computer	3/14/2006	2,150	358	SL	5	430
Technology Assessment Equip.	7/1/2006	1,777	-			-
Laptop Computer	8/1/2007	1,384	-	SL	5	115
NEC Flatscreen Computer Monitor	9/12/2007	230	-	SL	5	15
		<u>47,865</u>	<u>3,005</u>			<u>1,452</u>
						<u>29,776</u>

SCHEDULE 3

PART XIII - LINE 4c

SECTION 4942(h)(2) ELECTION
AS TO THE TREATMENT OF QUALIFYING DISTRIBUTIONS

Pursuant to IRC Section 4942(h)(2) and Regulation 53.4942(a)-3(d)(2), the above referenced foundation hereby elects to treat current year qualifying distributions in excess of the immediately preceding tax year's undistributed income as being made out of corpus.

Signature

Title

