Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2006

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning 9/01, 2006, and ending 8/31, 2007

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Final return
- [ ] Amended return
- [ ] Application pending

C Please use IRS label or print or type. See specific instructions.

FRIENDS OF TREES
3117 NE MARTIN LUTHER KING JR BLVD.
PORTLAND, OR 97212

D Employer Identification Number: 93-0999999

E Telephone number: 503-282-8846

F Accounting method: [ ] Cash [X] 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).

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 (If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

G Web site: ► WWW.FRIENDSOFTREES.ORG

I Group Exemption Number ►

J Organization type (check only one) ► [X] 501(c) 3 ◄ (insert no.) [ ] 4947(a)(1) or [ ] 527

K Check here ► [ ] if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

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 ► 567,180.

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

REVENUE	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	452,463.		
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d			
	e	Total (add lines 1a through 1d) (cash $ 452,463. noncash $)			1e	452,463.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	86,062.
	3	Membership dues and assessments			3	10,674.
	4	Interest on savings and temporary cash investments			4	899.
	5	Dividends and interest from securities			5	
	6a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a			6c	
	7	Other investment income (describe ►)			7	

		(A) Securities		(B) Other		
8a	Gross amount from sales of assets other than inventory		8a			
b	Less: cost or other basis and sales expenses		8b			
c	Gain or (loss) (attach schedule)		8c			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)				8d	

	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ► [ ]				
	a	Gross revenue (not including $ of contributions reported on line 1b)	9a	16,082.		
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events. Subtract line 9b from line 9a STATEMENT 1			9c	16,082.
	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c	
	11	Other revenue (from Part VII, line 103)			11	1,000.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	567,180.
EXPENSES	13	Program services (from line 44, column (B))			13	437,757.
	14	Management and general (from line 44, column (C))			14	91,007.
	15	Fundraising (from line 44, column (D))			15	34,762.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	563,526.
NET ASSETS	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	3,654.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	202,037.
	20	Other changes in net assets or fund balances (attach explanation)			20	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	205,691.

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

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. You **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: FRIENDS OF TREES

Employer identification number: 93-0999999

Number, street, and room or suite number. If a P.O. box, see instructions.: 3117 NE MARTIN LUTHER KING JR BLVD.

For IRS use only

City, town or post office, state, and ZIP code. For a foreign address, see instructions.: PORTLAND, OR 97212

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 (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 ► SCOTT FOGARTY

Telephone No. ► 503-282-8846 FAX No. ► 503-282-9471

- 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 is for.

4 I request an additional 3-month extension of time until 7/15 , 20 08.

5 For calendar year ____ , or other tax year beginning 9/01 , 20 06 , and ending 8/31 , 20 07 .

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 NEEDED TO COMPLETE THE FINANCIAL AUDIT WHICH IS NECESSARY TO FILE AN 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	**8a**	$
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	**8b**	$
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 instrs	**8c**	$

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 ► [signature] Title ► CPA Date ► 4/10/08

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: KERN & THOMPSON, LLC

Number and street (include suite, room, or apartment number) or a P.O. box number: 1618 SW FIRST AVENUE, SUITE 215

City or town, province or state, and country (including postal or ZIP code): PORTLAND, OR 97201

(m) 4/10/08

Form **8868** (Rev April 2007)
Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No. 1545-1709

- 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).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing *(e-file)*. Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization FRIENDS OF TREES	**Employer identification number** 93-0999999
File by the due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions. 3117 NE MARTIN LUTHER KING JR BLVD.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PORTLAND, OR 97212	

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

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

- The books are in the care of . ► SCOTT FOGARTY

Telephone No. ► 503-282-8846 FAX No. ► 503-282-9471

- 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 section 501(c) corporation required to file Form 990-T) extension of time until 4/15, 20 08, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:
► [ ] calendar year 20___ or
► [X] tax year beginning 9/01, 20 06, and ending 8/31, 20 07.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	$ 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	3b	$ 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	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

M 1/7/08

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
22a Grants paid from donor advised funds (attach sch) (cash $ ____ non-cash $ ____) If this amount includes foreign grants, check here ► ☐	22a				
22b Other grants and allocations (att sch) (cash $ ____ non-cash $ ____) If this amount includes foreign grants, check here ► ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch)	25a	47,470.	32,754.	9,969.	4,747.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	169,914.	117,427.	35,640.	16,847.
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	24,607.	17,198.	4,954.	2,455.
29 Payroll taxes	29	25,745.	18,158.	5,120.	2,467.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	15,633.	15,579.	38.	16.
34 Telephone	34	10,253.	8,000.	1,580.	673.
35 Postage and shipping	35	628.	437.	116.	75.
36 Occupancy	36				
37 Equipment rental and maintenance	37	3,201.	2,506.	488.	207.
38 Printing and publications	38	2,575.	1,557.	509.	509.
39 Travel	39	4,122.	3,229.	661.	232.
40 Conferences, conventions, and meetings	40				
41 Interest	41	19,120.	14,602.	3,292.	1,226.
42 Depreciation, depletion, etc (attach schedule)	42	17,490.	17,490.		
43 Other expenses not covered above (itemize): a SEE STATEMENT 2	43a	222,768.	188,820.	28,640.	5,308.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	563,526.	437,757.	91,007.	34,762.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ► ☐ **Yes** ☒ **No**

If 'Yes,' enter **(i)** the aggregate amount of these joint costs $ ________; **(ii)** the amount allocated to Program services $ ________; **(iii)** the amount allocated to Management and general $ ________; and **(iv)** the amount allocated to Fundraising $

Part III Statement of Program Service Accomplishments

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.

What is the organization's primary exempt purpose? ► SEE STATEMENT 3 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a SEE STATEMENT 4 (Grants and allocations $) If this amount includes foreign grants, check here .. ► ☐	437,757.
b (Grants and allocations $) If this amount includes foreign grants, check here .. ► ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here .. ► ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here .. ► ☐	
e Other program services (Grants and allocations $) If this amount includes foreign grants, check here .. ► ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ►	437,757.

Part IV Balance Sheets *(See the instructions.)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			(A) Beginning of year		(B) End of year
ASSETS 45 Cash – non-interest-bearing			45,020.	45	63,027.
46 Savings and temporary cash investments				46	
47a Accounts receivable	47a	4,243.			
b Less: allowance for doubtful accounts	47b			47c	4,243.
48a Pledges receivable	48a				
b Less: allowance for doubtful accounts	48b			48c	
49 Grants receivable			7,021.	49	7,758.
50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				50b	
51a Other notes and loans receivable (attach schedule)	51a				
b Less: allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use			203.	52	
53 Prepaid expenses and deferred charges			8,085.	53	3,476.
54a Investments – publicly-traded securities ► ☐ Cost ☐ FMV				54a	
b Investments – other securities (attach sch) ► ☐ Cost ☐ FMV				54b	
55a Investments – land, buildings, & equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b			55c	
56 Investments – other (attach schedule)				56	
57a Land, buildings, and equipment: basis	57a	486,849.			
b Less: accumulated depreciation (attach schedule) STATEMENT 5	57b	113,695.	390,644.	57c	373,154.
58 Other assets, including program-related investments (describe ►)				58	
59 **Total assets** (must equal line 74). Add lines 45 through 58			450,973.	59	451,658.
LIABILITIES 60 Accounts payable and accrued expenses			15,472.	60	17,009.
61 Grants payable				61	
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
64a Tax-exempt bond liabilities (attach schedule)				64a	
b Mortgages and other notes payable (attach schedule) SEE STATEMENT 6			233,464.	64b	228,958.
65 Other liabilities (describe ►)				65	
66 **Total liabilities.** Add lines 60 through 65			248,936.	66	245,967.
NET ASSETS OR FUND BALANCES **Organizations that follow SFAS 117, check here** ► [X] and complete lines 67 through 69 and lines 73 and 74.					
67 Unrestricted			188,267.	67	191,933.
68 Temporarily restricted			10,770.	68	10,758.
69 Permanently restricted			3,000.	69	3,000.
Organizations that do not follow SFAS 117, check here ► ☐ and complete lines 70 through 74.					
70 Capital stock, trust principal, or current funds				70	
71 Paid-in or capital surplus, or land, building, and equipment fund				71	
72 Retained earnings, endowment, accumulated income, or other funds				72	
73 **Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72. (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			202,037.	73	205,691.
74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			450,973.	74	451,658.

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

a	Total revenue, gains, and other support per audited financial statements			a	568,419.
b	Amounts included on line a but not on Part I, line 12:				
	1 Net unrealized gains on investments	b1			
	2 Donated services and use of facilities	b2			
	3 Recoveries of prior year grants	b3			
	4 Other (specify): SEE STM 7	b4	1,239.		
	Add lines b1 through b4			b	1,239.
c	Subtract line b from line a			c	567,180.
d	Amounts included on Part I, line 12, but not on line a:				
	1 Investment expenses not included on Part I, line 6b	d1			
	2 Other (specify):	d2			
	Add lines d1 and d2			d	
e	**Total revenue** (Part I, line 12). Add lines c and d ►			e	567,180.

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

a	Total expenses and losses per audited financial statements			a	564,765.
b	Amounts included on line a but not on Part I, line 17:				
	1 Donated services and use of facilities	b1			
	2 Prior year adjustments reported on Part I, line 20	b2			
	3 Losses reported on Part I, line 20	b3			
	4 Other (specify): SEE STMT 8	b4	1,239.		
	Add lines b1 through b4			b	1,239.
c	Subtract line b from line a			c	563,526.
d	Amounts included on Part I, line 17, but not on line a:				
	1 Investment expenses not included on Part I, line 6b	d1			
	2 Other (specify):	d2			
	Add lines d1 and d2			d	
e	**Total expenses** (Part I, line 17). Add lines c and d ►			e	563,526.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the 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 plans	(E) Expense account and other allowances
SEE STATEMENT 9		47,470.	0.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

		Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings . ► 9			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	75 b		X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization'.	75 c		X
If 'Yes,' attach a statement that includes the information described in the instructions.			
d Does the organization have a written conflict of interest policy?	75 d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions.)*

		Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS?	77		X
If 'Yes,' attach a conformed copy of the changes.			
78 a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78 a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	78 b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79		X
80 a 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?	80 a		X
b If 'Yes,' enter the name of the organization ► N/A and check whether it is ☐ exempt or ☐ nonexempt.			
81 a Enter direct and indirect political expenditures. (See line 81 instructions.) 81 a 0.			
b Did the organization file **Form 1120-POL** for this year?	81 b		X

Part VI Other Information *(continued)*

			Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82a	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b 1,239.			
83a Did the organization comply with the public inspection requirements for returns and exemption applications?		83a	X	
b Did the organization comply with the disclosure requirements relating to *quid pro quo* contributions?		83b	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?		84a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b	N/A	
85 *501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?		85a	N/A	
b Did the organization make only in-house lobbying expenditures of $2,000 or less?		85b	N/A	
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.				
c Dues, assessments, and similar amounts from members	85c N/A			
d Section 162(e) lobbying and political expenditures	85d N/A			
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85g	N/A	
h 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?		85h	N/A	
86 *501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12	86a N/A			
b Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87 *501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders	87a N/A			
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A			
88 a 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		88a		X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI ►		88b		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.				
b *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		89b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ►	0.			
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ►	0.			
e *All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f *All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g *For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g		X

90a List the states with which a copy of this return is filed ► OR

b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b 7

91 a The books are in care of ► SCOTT FOGARTY Telephone number ► 503-282-8846

Located at ► 3117 NE MARTIN LUTHER KING JR BLVD, PORTLAND OR ZIP + 4 ► 97212

		Yes	No
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
If 'Yes,' enter the name of the foreign country ►			
See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts.			

Part VI Other Information *(continued)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ►	91c		X
92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of **Form 1041*** – Check here N/A ► ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ►	92		N/A

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

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income (A) Business code	Unrelated business income (B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	Excluded by section 512, 513, or 514 (D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a TREE FEES & SUPPLIES					86,062.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					10,674.
95 Interest on savings & temporary cash invmnts			14	899.	
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			1	16,082.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b OTHER REVENUE			1	1,000.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				17,981.	96,736.
105 **Total** (add line 104, columns (B), (D), and (E)) ►					114,717.

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	FEES RECEIVED FOR LOW-COST TREES AND SUPPLIES TO OFFSET THE COST OF PURCHASING AND PLANTING
94	MEMBER FEES PROVIDE SUPPORT IN LEADING VOLUNTEERS IN PLANTING AND CARING FOR TREES IN THE REGION.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

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

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If 'Yes' to **(b)**, file Form 8870 **and** Form 4720 (see instructions).*

Part XI Information Regarding Transfers To and From Controlled Entities. *Complete only if the organization is a controlling organization as defined in section 512(b)(13).*

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		X

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] COPY 05/10/08

Signature of officer Date

► SCOTT FOGARTY EXECUTIVE DIRECTOR

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature	► [signature] BRUCE A THOMPSON, CPA	Date 5/2/08	Check if self-employed ► [X] Preparer's SSN or PTIN (See General Instruction W) N/A
Firm's name (or yours if self-employed), address, and ZIP + 4	KERN & THOMPSON, LLC		
	► 1618 SW FIRST AVENUE, SUITE 215		EIN ► N/A
	PORTLAND, OR 97201		Phone no. ► (503) 222-3338

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No. 1545-0047

2006

Name of the organization: FRIENDS OF TREES

Employer identification number: 93-0999999

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				
Total number of other employees paid over $50,000 ►	0			

Part II – A 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		
Total number of others receiving over $50,000 for professional services ► 0		

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over $50,000 for other services ► 0		

Part III Statements About Activities (See instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities . . . . ► $ N/A (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1		X
	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.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE FORM 990, PART V	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4a	Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966?	4b	N/A	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A	
d	Enter the total number of donor advised funds owned at the end of the tax year ►			N/A
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ►			N/A
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ►			0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ►			0.

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

I certify that 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.)

11 a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11 b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [ ] An organization that normally receives: **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ►

[ ] Type I [ ] Type II [ ] Type III-Functionally Integrated [ ] Type III-Other

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
Total ►					0.

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

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
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ► a ☐ if the organization belongs to an affiliated group. Check ► b ☐ if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for **all** electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table –			
If the amount on line 40 is – / **The lobbying nontaxable amount is –**			
Not over $500,000 / 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 / $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 / $175,000 plus 10% of the excess over $1,000,000	41		
Over $1,500,000 but not over $17,000,000 / $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 / $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		
Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

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

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (add lines **c** through **h.**)			0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

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

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	**51 a (i)**		X
(ii) Other assets	**a (ii)**		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	**b (i)**		X
(ii) Purchases of assets from a noncharitable exempt organization	**b (ii)**		X
(iii) Rental of facilities, equipment, or other assets	**b (iii)**		X
(iv) Reimbursement arrangements	**b (iv)**		X
(v) Loans or loan guarantees	**b (v)**		X
(vi) Performance of services or membership or fundraising solicitations	**b (vi)**		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**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 organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

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

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

b If 'Yes,' complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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)
FUNDRAISER	16,082.	0.	16,082.	0.	16,082.
TOTAL	$ 16,082.	$ 0.	$ 16,082.	$ 0.	$ 16,082.

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
CONTRACTED SERVICES	53,925.	35,025.	18,369.	531.
DEVELOPMENT	2,961.			2,961.
DUES AND MEMBERSHIPS	310.	310.		
INSURANCE	7,878.	4,802.	2,571.	505.
OFFICE SUPPLIES	4,573.	3,601.	686.	286.
OTHER	6,650.	2,619.	3,923.	108.
PUBLICITY	8,050.	7,757.		293.
TOOLS AND EQUIPMENT	875.	875.		
TRAINING	2,735.	775.	1,960.	
TREE PURCHASES	119,899.	119,770.		129.
UTILITIES	5,909.	4,688.	829.	392.
VEHICLE EXPENSES	7,148.	6,920.	161.	67.
VOLUNTEER EXPENSE	1,855.	1,678.	141.	36.
TOTAL	$ 222,768.	$ 188,820.	$ 28,640.	$ 5,308.

STATEMENT 3
FORM 990 , PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

TO INSPIRE COMMUNITY SREWARDSHIP OF OUR URBAN FOREST BY BRINGING PEOPLE IN THE PORTLAND-VANCOUVER AREA TOGETHER TO PLANT, CARE FOR AND LEARN ABOUT CITY TREES

STATEMENT 4
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
TREE PLANTINGS - THE COORDINATION OF TREE PLANTING PROJECTS IN PARKS, NEIGHBORHOODS AND NATURAL AREAS INCLUDES FOREIGN GRANTS: NO		257,024.
PUBLIC EDUCATION AND ADVOCACY - THE DEVELOPMENT AND PRESENTATION OF INFORMATION ON TREE CARE AND THE VALUE OF		

STATEMENT 4 (CONTINUED)
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
TREES IN URBAN ENVIRONMENTS, AND PROMOTION OF IMPLEMENTATION OF URBAN FORESTRY PROGRAMS. INCLUDES FOREIGN GRANTS: NO		63,033.
NATURAL AREA PLANTINGS - FRIENDS OF TREES WORKS WITH PUBLIC AGENCIES, OTHER NONPROFIT ORGANIZATIONS, AND CITIZEN "FRIENDS" GROUPS TO ORGANIZE COMMUNITY RESTORATION PROJECTS. OUR PLANTING PROJECTS AND MAINTENANCE PROJECTS HELP RESTORE ECOSYSTEM FUNCTIONS, INCLUDING HABITAT FOR SALMON AND OTHER WILDLIFE. INCLUDES FOREIGN GRANTS: NO		117,700.
	$ 0.	$ 437,757.

STATEMENT 5
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	$ 39,217.	$ 27,795.	$ 11,422.
MACHINERY AND EQUIPMENT	39,988.	37,821.	2,167.
BUILDINGS	333,934.	47,725.	286,209.
IMPROVEMENTS	4,670.	354.	4,316.
LAND	69,040.		69,040.
TOTAL	$ 486,849.	$ 113,695.	$ 373,154.

STATEMENT 6
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

MORTGAGES PAYABLE	BALANCE DUE
ALBINA COMMUNITY BANK	$ 228,958.
TOTAL	$ 228,958.

STATEMENT 7
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS

TREE PLANTING SUPPLIES & VOLUNTEER EXP	$ 1,239.
TOTAL	$ 1,239.

STATEMENT 8
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS

TREE PLANTING SUPPLIES & VOLUNTEER EXP	$	1,239.
TOTAL	$	1,239.

STATEMENT 9
FORM 990, PART V-A
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
JACK BROUDREAU C/O ORGANIZATION PORTLAND, OR 97212	SECRETARY 0	$ 0.	$ 0.	$ 0.
NICOLE D'ONOFRIO C/O ORGANIZATION PORTLAND, OR 97212	PRESIDENT 0	0.	0.	0.
PAUL GARRAHAN C/O ORGANIZATION PORTLAND, OR 97212	DIRECTOR 0	0.	0.	0.
MATTHEW JONES C/O ORGANIZATION PORTLAND, OR 97212	TREASURER 0	0.	0.	0.
LOGAN LAUVRAY C/O ORGANIZATION PORTLAND, OR 97212	VICE PRESIDENT 0	0.	0.	0.
LIZ TILBURY-MARQUARD C/O ORGANIZATION PORTLAND, OR 97212	DIRECTOR 0	0.	0.	0.
DUNCAN ROTCH C/O ORGANIZATION PORTLAND, OR 97212	DIRECTOR 0	0.	0.	0.
SCOTT FOGARTY C/O ORGANIZATION PORTLAND, OR 97212	EXECUTIVE DIREC 0	47,470.	0.	0.
BARBARA KOHLER C/O ORGANIZATION PORTLAND, OR 97212	DIRECTOR 0	0.	0.	0.
MERYL REDISCH C/O ORGANIZATION PORTLAND, OR 97212	DIRECTOR 0	0.	0.	0.
	TOTAL	$ 47,470.	$ 0.	$ 0.

STATEMENT 10
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2005	(B) 2004	(C) 2003	(D) 2002	(E) TOTAL
OTHER REVENUE	$ 32.	$ 662.	$ 0.	$ 0.	$ 694.
TOTAL	$ 32.	$ 662.	$ 0.	$ 0.	$ 694.

Form

CT-12

For Oregon Corporations and Certain Trusts

Charitable Activities Section
Oregon Department of Justice

1515 SW 5th Avenue, Suite 410
Portland, OR 97201-5451
E-Mail: charitable.activities@doj.state.or.us
Web site: http://www.doj.state.or.us

VOICE (971) 673-1880
TDD (503) 378-5938
FAX (971) 673-1882

For Accounting Periods Beginning in:

2006

Section I. General Information

1.

Registration #: 14889

FRIENDS OF TREES

3117 MARTIN LUTHER KING JR BLVD

PORTLAND, OR 97212

Phone: (503) 282-8846 **Fax:** (503) 282-9471

Period Beginning: 09/01/06 **Period Ending:** 08/31/2007

Cross Through Incorrect Items and Correct Here:
(See instructions for change of name or accounting period.)

Registration #:

Organization Name:

Address:

City, State, Zip:

Phone: Fax:

Period Beginning: / / Period Ending: / /

Amended Report? ☐

2. Did a certified public accountant audit your financial records? - If yes, attach a copy of the auditor's report, financial statements, accompanying notes and any schedules presented as supplementary information to the basic financial statements. ☒ Yes ☐ No

3. Is the organization a party to a contract involving person-to-person, advertising, vending machine or telephone fund-raising in Oregon? ☐ Yes ☒ No

If yes, write the name of the fund-raising firm(s) who conducts the campaign(s):________________

4. Has the organization or any officer, director, or executive personnel of the organization ever been involved in a voluntary agreement with any district attorney or attorney general or a legal action in any court regarding the organization's solicitation, administration, or management practices? If yes, attach copies of the agreement and a written explanation. ☐ Yes ☒ No

5. During this reporting period, did the organization amend its articles of incorporation, bylaws, or trust documents, OR did the organization receive a determination letter from the Internal Revenue Service indicating a new or amended tax-exempt status? If yes, attach a copy of the amended document or letter. ☐ Yes ☒ No

6. Is the organization ceasing operations and is this the final report? (If yes, see instructions.) ☐ Yes ☒ No

7. Provide contact information for the person responsible for retaining the organization's records.

Name	Position	Phone	Mailing Address
Scott Fogarty	Executive Director	(503) 282-8846	Same as above

8. List of Officers, Directors, Trustees and Key Employees – List each person who held one of these positions at any time during the year even if they did not receive any compensation from the organization. Attach additional sheets if necessary. If an IRS form is attached that includes substantially the same information, the phrase "See IRS Form" may be entered in lieu of completing this section. (Oregon law requires a minimum of three directors.)

(A) Name, daytime phone number & mailing address		(B) Title & average weekly hours devoted to position	(C) Compensation (If not paid, enter $0)	(D) Contributions to benefit plans & deferred compensation	(E) Expense account & other allowances
Name: Address: Phone:	See Form 990 Part V-A ( )				
Name: Address: Phone:	 ( )				
Name: Address: Phone:	 ( )				

Form Continued on Reverse Side

Section II. Fee Calculation

9.	Total Revenue (From Line 12 on Form 990; Line 9 on Form 990-EZ; Part I, Line 12a on Form 990-PF; Line 9 on Form 1041 or Form 1041-A; or see page 3 of the instructions if no federal tax return was prepared.)	9.	567,180	
10.	Revenue Fee (See chart below. Minimum fee is $10, even if total revenue is a negative amount.)	10.		135
11.	Net Assets or Fund Balances at End of the Reporting Period (From Line 21 on Form 990 or Form 990-EZ, or Part III, Line 6 on Form 990-PF; or see page 4 to calculate.)	11.	205,691	
12.	Net Fixed Assets Used to Conduct Charitable Activities (Generally, from Line 57c on Form 990, Line 23B on Form 990-EZ or Part II, Line 14b on Form 990-PF; or see page 4 to calculate. See instructions if organization owns income-producing assets.)	12.	373,154	
13.	Amount Subject to Net Assets or Fund Balances Fee (Line 11 minus Line 12. If Line 11 minus Line 12 is less than $50,000, write $0.)	13.	0	
14.	Net Assets or Fund Balances Fee (Line 13 multiplied by .0001. If the fee is less than $5, enter $0. Not to exceed $1,000. Round cents to the nearest whole dollar.)	14.		0
15.	Delinquency Penalty (If report is submitted after the due date, the delinquency penalty is $20.)	15.		
16.	Total Amount Due (Add Lines 10, 14, and 15. Make check payable to the Oregon Department of Justice.)	16.		135

Amount on Line 9			Revenue Fee
$0	-	$24,999	$10
$25,000	-	$49,999	$25
$50,000	-	$99,999	$45
$100,000	-	$249,999	$75
$250,000	-	$499,999	$100
$500,000	-	$749,999	$135
$750,000	-	$999,999	$170
$1,000,000	or	more	$200

17. Attach a copy of the organization's federal tax return and all supporting schedules and attachments that were filed with the IRS with the exception that Form 990 & 990EZ filers do not need to attach a copy of their Schedule B. Also, if the organization did not file with the IRS, but had Total Revenue of $25,000 or more, or Net Assets or Fund Balances of $50,000 or more, see the instructions as the organization is required to complete certain IRS Forms for Oregon purposes only. If the attached return was not filed with the IRS, then mark any such return as "For Oregon Purposes Only."

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including all accompanying forms, schedules, and attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

⇒ COPY

Signature of officer — Date: 05/10/08 — Title: EXECUTIVE DIRECTOR

Paid Preparer's Use Only

⇒ Preparer's signature — Date: 5/2/08 — Phone: (503) 222-3338

Bruce A. Thompson, CPA
Kern & Thompson, LLC
Preparer's name

1618 SW First Avenue, Suite 215, Portland, OR 97201-5708
Address