

**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)

**2008**

Department of the Treasury  
Internal Revenue Service

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

**Open to Public Inspection**

For the 2008 calendar year, or tax year beginning 9/01, 2008, and ending 8/31, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See specific instructions.	<b>FRIENDS OF TREES</b> 3117 NE MARTIN LUTHER KING JR BLVD. PORTLAND, OR 97212	<b>D</b> Employer Identification Number 93-0999999 <b>E</b> Telephone number 503-282-8846 <b>G</b> Gross receipts \$ 1,248,191.
<b>F</b> Name and address of principal officer: SAME AS C ABOVE		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list. (see instructions)	
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c)</b> Group exemption number ▶	
<b>J</b> Website: ▶ WWW.FRIENDSOFTREES.ORG		<b>L</b> Year of Formation: 1989 <b>M</b> State of legal domicile: OR	
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <u>TO INSPIRE COMMUNITY STEWARDSHIP OF OUR URBAN FOREST BY BRINGING PEOPLE IN THE PORTLAND-VANCOUVER AREA TOGETHER TO PLANT, CARE FOR AND LEARN ABOUT CITY TREES</u>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	11
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	10
<b>5</b>	Total number of employees (Part V, line 2a)	<b>5</b>	14
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	1,998
<b>7a</b>	Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	0.
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0.
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>8</b>	11
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>9</b>	10
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>10</b>	14
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>11</b>	1,998
<b>12</b>	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>12</b>	0.
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>13</b>	0.
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>14</b>	0.
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>15</b>	0.
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>16a</b>	0.
<b>16b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ 144,583.	<b>16b</b>	0.
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>17</b>	0.
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>18</b>	0.
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>19</b>	0.
<b>20</b>	Total assets (Part X, line 16)	<b>20</b>	0.
<b>21</b>	Total liabilities (Part X, line 26)	<b>21</b>	0.
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>22</b>	0.

**Part II Signature Block**

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.			
<b>Sign Here</b>	Signature of officer SCOTT FOGARTY Type or print name and title.	Date	
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ <i>[Signature]</i> Firm's name (or yours if self-employed), address, and ZIP + 4 KERN & THOMPSON, LLC 1618 SW FIRST AVENUE, SUITE 215 PORTLAND, OR 97201	Date 7-7-10	Check if self-employed <input checked="" type="checkbox"/> Preparer's identifying number (see instructions) N/A EIN ▶ N/A Phone no. ▶ (503) 222-3338

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns . . . . .	1 a					
	b Membership dues . . . . .	1 b	42,395.				
	c Fundraising events . . . . .	1 c					
	d Related organizations . . . . .	1 d					
	e Government grants (contributions) . . . . .	1 e	878,582.				
	f All other contributions, gifts, grants, and similar amounts not included above . . . . .	1 f	223,955.				
	g Noncash contribns included in lns 1a-1f: . . . \$						
	<b>h Total.</b> Add lines 1a-1f. . . . . ▶		<b>1,144,932.</b>				
PROGRAM SERVICE REVENUE	<b>2 a TREE FEES &amp; SUPPLIES</b>						
	Business Code						
	b		100,722.	100,722.			
	c						
	d						
	e						
	f All other program service revenue . . . . .						
<b>g Total.</b> Add lines 2a-2f. . . . . ▶		<b>100,722.</b>					
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,097.			1,097.	
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties . . . . . ▶						
	6 a Gross Rents . . . . .	(i) Real	(ii) Personal				
		b Less: rental expenses.					
		c Rental income or (loss) . . . . .					
		<b>d Net rental income or (loss)</b> . . . . . ▶					
	7 a Gross amount from sales of assets other than inventory . . . . .	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses . . . . .					
		c Gain or (loss) . . . . .					
		<b>d Net gain or (loss)</b> . . . . . ▶					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. . . . .	a	1,440.				
		b Less: direct expenses . . . . .	b				
		<b>c Net income or (loss) from fundraising events</b> . . . . . ▶		<b>1,440.</b>			<b>1,440.</b>
	9 a Gross income from gaming activities. See Part IV, line 19. . . . .	a					
b Less: direct expenses . . . . .		b					
<b>c Net income or (loss) from gaming activities</b> . . . . . ▶							
10 a Gross sales of inventory, less returns and allowances . . . . .	a						
	b Less: cost of goods sold . . . . .	b					
	<b>c Net income or (loss) from sales of inventory</b> . . . . . ▶						
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d All other revenue . . . . .							
<b>e Total.</b> Add lines 11a-11d . . . . . ▶							
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . . ▶			<b>1,248,191.</b>	<b>100,722.</b>	<b>0.</b>	<b>2,537.</b>	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21.				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	105,791.	30,679.	48,664.	26,448.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	298,808.	254,934.		43,874.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).				
9 Other employee benefits.	49,566.	34,912.	6,708.	7,946.
10 Payroll taxes.	41,558.	29,012.	4,801.	7,745.
11 Fees for services (non-employees).				
a Management.				
b Legal.				
c Accounting.				
d Lobbying.				
e Prof fundraising svcs. See Part IV, ln 17.				
f Investment management fees.				
g Other.	230,437.	188,066.	8,665.	33,706.
12 Advertising and promotion.	19,497.	16,256.	600.	2,641.
13 Office expenses.	6,557.	3,875.	1,661.	1,021.
14 Information technology.				
15 Royalties.				
16 Occupancy.	19,700.	13,206.	3,557.	2,937.
17 Travel.	8,662.	5,109.	2,355.	1,198.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.				
20 Interest.				
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	14,249.	11,811.	931.	1,507.
23 Insurance.	4,400.	3,219.	546.	635.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a TREE PURCHASES	178,117.	178,117.		
b TREE PLANTING SUPPLIES	13,688.	13,688.		
c TELEPHONE	11,759.	8,503.	1,377.	1,879.
d VOLUNTEER EXPENSE	8,539.	8,387.	70.	82.
e DEVELOPMENT	8,210.			8,210.
f All other expenses.	33,063.	14,534.	13,775.	4,754.
25 Total functional expenses. Add lines 1 through 24f.	1,052,601.	814,308.	93,710.	144,583.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				