

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

# 2008

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

**For calendar year 2008, or tax year beginning** \_\_\_\_\_, **and ending** \_\_\_\_\_

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

<p><b>Use the IRS label.</b> <b>Otherwise, print or type.</b> <b>See Specific Instructions.</b></p>	<p>Name of foundation <b>DAN AND PAT NELSON FAMILY FOUNDATION</b></p> <p>Number and street (or P.O. box number if mail is not delivered to street address) Room/suite <b>2921 HORSEHEAD BAY DR NW</b></p> <p>City or town, state, and ZIP code <b>GIG HARBOR, WA 98335</b></p>	<p><b>A</b> Employer identification number <b>91-1939872</b></p> <p><b>B</b> Telephone number <b>(253) 265-0088</b></p> <p><b>C</b> If exemption application is pending, check here <input type="checkbox"/></p> <p><b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/></p> <p><b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/></p> <p><b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/></p>
<p><b>H</b> 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</p>		
<p><b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>600,490.</b> (Part I, column (d) must be on cash basis.)</p>		
<p><b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____</p>		

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	1.	1.		STATEMENT 1
	4 Dividends and interest from securities	20,572.	20,572.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	14,514.			
	b Gross sales price for all assets on line 6a	233,946.			
	7 Capital gain net income (from Part IV, line 2)		14,514.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 <b>Total.</b> Add lines 1 through 11	35,087.	35,087.			
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc.	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees	STMT 3 2,000.	0.		2,000.
	c Other professional fees				
	17 Interest				
	18 Taxes	STMT 4 1,967.	1,967.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses	STMT 5 4,628.	4,029.		599.
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	8,595.	5,996.		2,599.
	25 Contributions, gifts, grants paid	55,200.			55,200.
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	63,795.	5,996.		57,799.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<28,708.>				
b <b>Net investment income</b> (if negative, enter -0-)		29,091.			
c <b>Adjusted net income</b> (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		Beginning of year		End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash - non-interest-bearing		6,555.	3,864.	3,864.	
	2	Savings and temporary cash investments		3,704.	33,813.	33,813.	
	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					
	7	Other notes and loans receivable					
		Less: allowance for doubtful accounts					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges				1,000.	1,000.
	10a	Investments - U.S. and state government obligations					
		b Investments - corporate stock	STMT 6	222,588.	176,519.	86,582.	
		c Investments - corporate bonds	STMT 7	39,979.	20,031.	15,603.	
	11	Investments - land, buildings, and equipment: basis					
	Less: accumulated depreciation						
12	Investments - mortgage loans						
13	Investments - other	STMT 8	719,600.	739,382.	459,628.		
14	Land, buildings, and equipment: basis	STMT 9	2,459.				
	Less: accumulated depreciation		2,459.				
15	Other assets (describe )						
16	<b>Total assets</b> (to be completed by all filers)		992,426.	974,609.	600,490.		
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable					
	22	Other liabilities (describe )					
	23	<b>Total liabilities</b> (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/>			and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	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		0.	0.		
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
	29	Retained earnings, accumulated income, endowment, or other funds		992,426.	974,609.		
30	<b>Total net assets or fund balances</b>		992,426.	974,609.			
31	<b>Total liabilities and net assets/fund balances</b>		992,426.	974,609.			

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	992,426.
2	Enter amount from Part I, line 27a	2	<28,708.>
3	Other increases not included in line 2 (itemize) <b>UNREALIZED LOSS ON SECURITIES</b>	3	10,891.
4	Add lines 1, 2, and 3	4	974,609.
5	Decreases not included in line 2 (itemize)	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	974,609.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENT				
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				
b				
c				
d				
e 233,946.		219,432.	14,514.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e			14,514.	
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 14,514.
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). If (loss), enter -0- in Part I, line 8 .....		{ ..... }		3 N/A

**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 instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	51,873.	866,312.	.059878
2006	35,148.	688,901.	.051020
2005	27,754.	538,172.	.051571
2004	34,855.	480,067.	.072604
2003	22,887.	423,892.	.053993
2 Total of line 1, column (d)			2 .289066
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 .057813
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5			4 797,000.
5 Multiply line 4 by line 3			5 46,077.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 291.
7 Add lines 5 and 6			7 46,368.
8 Enter qualifying distributions from Part XII, line 4			8 57,799.

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 instructions)

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits and payments. Total tax due is 709.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns for Yes/No. Includes questions about political campaigns, unrelated business income, and state reporting.

**Part VII-A Statements Regarding Activities** (continued)

11 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) .....	11		X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? .....	12		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? .....	13	X	
Website address ► WWW.DPNFAMILY.ORG			
14 The books are in care of ► LORI ANN REEDER		Telephone no. ► (253) 265-0088	
Located at ► 2921 HORSEHEAD BAY DR NW, GIG HARBOR, WA		ZIP+4 ► 98335	
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here .....			15
and enter the amount of tax-exempt interest received or accrued during the year .....			N/A

**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
<b>1a</b> 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 type="checkbox"/> Yes		<input checked="" 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? ( <b>Exception.</b> 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>b</b> If any answer is "Yes" to 1a(1)-(6), did <b>any</b> 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 page 20 of the instructions)? .....	N/A	1b	
Organizations relying on a current notice regarding disaster assistance check here .....	► <input type="checkbox"/>		
<b>c</b> 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 2008? .....		1c	X
<b>2</b> 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)):			
<b>a</b> At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? .....	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No
If "Yes," list the years ► .....			
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement - see instructions.) .....	N/A	2b	
<b>c</b> If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. ► .....			
<b>3a</b> 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>b</b> If "Yes," did it have excess business holdings in 2008 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 2008.) .....	N/A	3b	
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? .....		4a	X
<b>b</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 2008? .....		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)?  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 **N/A** 5b

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 **N/A**

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 **6b** **X**

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 **N/A** 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.**

(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
DAN NELSON 5500 OLYMPIC DRIVE A105-234 GIG HARBOR, WA 98335	PRESIDENT 2.00	0.	0.	0.
PAT NELSON 5500 OLYMPIC DRIVE A105-234 GIG HARBOR, WA 98335	TREASURER 2.00	0.	0.	0.
LORI ANN REEDER 2921 HORSEHEAD BAY DRIVE NW GIG HARBOR, WA 98335	SECRETARY 10.00	0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1). 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
NONE				

**Total** number of other employees paid over \$50,000 **▶** 0

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

**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person 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 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 N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

**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 .....	1a	804,081.
b	Average of monthly cash balances .....	1b	5,056.
c	Fair market value of all other assets .....	1c	
d	<b>Total</b> (add lines 1a, b, and c) .....	1d	809,137.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) .....	1e	0.
2	Acquisition indebtedness applicable to line 1 assets .....	2	0.
3	Subtract line 2 from line 1d .....	3	809,137.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) .....	4	12,137.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 .....	5	797,000.
6	<b>Minimum investment return.</b> Enter 5% of line 5 .....	6	39,850.

**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	39,850.
2a	Tax on investment income for 2008 from Part VI, line 5 .....	2a	291.
b	Income tax for 2008. (This does not include the tax from Part VI.) .....	2b	
c	Add lines 2a and 2b .....	2c	291.
3	Distributable amount before adjustments. Subtract line 2c from line 1 .....	3	39,559.
4	Recoveries of amounts treated as qualifying distributions .....	4	0.
5	Add lines 3 and 4 .....	5	39,559.
6	Deduction from distributable amount (see instructions) .....	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 .....	7	39,559.

**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 .....	1a	57,799.
b	Program-related investments - total from Part IX-B .....	1b	
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) .....	3a	
b	Cash distribution test (attach the required schedule) .....	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 .....	4	57,799.
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 .....	5	291.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 .....	6	57,508.

**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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				39,559.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004	1,198.			
c From 2005	2,274.			
d From 2006	1,779.			
e From 2007	10,501.			
f Total of lines 3a through e	15,752.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$	57,799.			
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2008 distributable amount				39,559.
e Remaining amount distributed out of corpus	18,240.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	33,992.			
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	33,992.			
10 Analysis of line 9:				
a Excess from 2004	1,198.			
b Excess from 2005	2,274.			
c Excess from 2006	1,779.			
d Excess from 2007	10,501.			
e Excess from 2008	18,240.			

**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 2008, 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	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test - enter:					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test - enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

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

**SEE STATEMENT 11**

**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.

NONE

**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:

**SEE STATEMENT 12**

**b** The form in which applications should be submitted and information and materials they should include:

**c** Any submission deadlines:

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







**Part IV** Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	260 SH SIEMENS AG SPON ADR	P	10/17/07	06/18/08
b	194 SH AMERICAN FUNDS WORLD CAP GROWTH C	P	12/18/07	08/25/08
c	103 SH MUNDER MICRO CAP C	P	12/27/07	06/12/08
d	9 SH MUNDER MICRO CAP A	P	12/27/07	06/12/08
e	325 SH PEPSICO INC	P	10/15/01	06/06/08
f	350 SH PROCTER & GAMBLE	P	11/02/04	06/23/08
g	486 SH AMERICAN FUNDS WORLD GROWTH F	P	11/15/06	08/25/08
h	1962 SH AMERICAN FUNDS WORLD GROWTH C	P	VARIOUS	08/25/08
i	746 SH MUNDER MICRO CAP C	P	12/27/06	06/12/08
j	70 SH MUNDER MICRO CAP A	P	12/27/06	06/12/08
k	750 SH GE CAPITAL 6.625%	P	11/21/02	09/17/08
l	CAPITAL GAINS DIVIDENDS			
m				
n				
o				

	(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	30,360.		34,603.	<4,243.>
b	7,130.		8,283.	<1,153.>
c	2,901.		3,681.	<780.>
d	285.		360.	<75.>
e	21,343.		15,798.	5,545.
f	22,025.		18,022.	4,003.
g	18,000.		20,602.	<2,602.>
h	72,185.		70,015.	2,170.
i	20,993.		25,037.	<4,044.>
j	2,140.		3,084.	<944.>
k	16,204.		19,947.	<3,743.>
l	20,380.			20,380.
m				
n				
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			<4,243.>
b			<1,153.>
c			<780.>
d			<75.>
e			5,545.
f			4,003.
g			<2,602.>
h			2,170.
i			<4,044.>
j			<944.>
k			<3,743.>
l			20,380.
m			
n			
o			

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	14,514.
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). If (loss), enter "-0-" in Part I, line 8	3	N/A



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**FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1**


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SOURCE	AMOUNT
US BANK	1.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1.

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**FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2**


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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
UBS FINANCIAL SERVICES	39,001.	20,380.	18,621.
UBS FINANCIAL SERVICES	1,951.	0.	1,951.
TOTAL TO FM 990-PF, PART I, LN 4	40,952.	20,380.	20,572.

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**FORM 990-PF ACCOUNTING FEES STATEMENT 3**


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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	2,000.	0.		2,000.
TO FORM 990-PF, PG 1, LN 16B	2,000.	0.		2,000.

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**FORM 990-PF TAXES STATEMENT 4**


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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	972.	972.		0.
FOREIGN TAXES	995.	995.		0.
TO FORM 990-PF, PG 1, LN 18	1,967.	1,967.		0.

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FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LICENSES	10.	0.		10.	
DUES AND SUBSCRIPTIONS	575.	0.		575.	
OFFICE EXPENSE	14.	0.		14.	
INVESTMENT EXPENSES	4,029.	4,029.		0.	
<b>TO FORM 990-PF, PG 1, LN 23</b>	<b>4,628.</b>	<b>4,029.</b>		<b>599.</b>	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION		BOOK VALUE	FAIR MARKET VALUE	
CORPORATE SECURITIES		176,519.	86,582.	
<b>TOTAL TO FORM 990-PF, PART II, LINE 10B</b>		<b>176,519.</b>	<b>86,582.</b>	

FORM 990-PF	CORPORATE BONDS		STATEMENT	7
DESCRIPTION		BOOK VALUE	FAIR MARKET VALUE	
CORPORATE BONDS		20,031.	15,603.	
<b>TOTAL TO FORM 990-PF, PART II, LINE 10C</b>		<b>20,031.</b>	<b>15,603.</b>	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
MUTUAL FUNDS	COST	739,382.	459,628.	
<b>TOTAL TO FORM 990-PF, PART II, LINE 13</b>		<b>739,382.</b>	<b>459,628.</b>	



FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 12

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

LORI ANN REEDER  
2921 HORSEHEAD BAY DR NW  
GIG HARBOR, WA 98335

TELEPHONE NUMBER

(253) 265-0088

FORM AND CONTENT OF APPLICATIONS

APPLICATIONS SHOULD BE SUBMITTED VIA LETTER FORMAT. BASIC DATA TO BE INCLUDED: (A) TAX EXEMPT STATUS (B) PURPOSE OF GRANT (C) AMOUNT OF FUNDS NEEDED

ANY SUBMISSION DEADLINES

JUNE 1 OF THE YEAR FOR WHICH THE GRANT IS REQUESTED

RESTRICTIONS AND LIMITATIONS ON AWARDS

MAXIMUM AWARD/GRANT IS \$5,000 IN THE CHARITABLE FIELDS OF ARTS, EDUCATION & HEALTHCARE WITH EMPHASIS ON PROGRAMS FOR YOUTH AND ELDERLY IN THE STATES OF WASHINGTON AND IDAHO.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 13

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
FRANCISCAN FOUNDATION, 1149 MARKET ST, TACOMA, WA 98402	NONE  ST ANTHONY'S CAPITAL CAMPAIGN	PUBLIC CHARITY	25,000.
FRANK TOBEY JONES, 5340 NORTH BRISTOL, TACOMA, WA 98407	NONE  SENIOR CENTER	PUBLIC CHARITY	1,000.
NORTHWEST HARVEST, 711 CHERRY ST, SEATTLE, WA 98104	NONE  THREE SQUARES PROGRAM	PUBLIC CHARITY	5,000.
SAMA, PO BOX 22260, SEATTLE, WA 98122	NONE  ANNUAL FUND	PUBLIC CHARITY	200.
SPECIAL OLYMPICS, 2150 N 107TH ST #220, SEATTLE, WA 98133	NONE  OPERATING FUNDS DONATION	PUBLIC CHARITY	4,000.
UNIVERSITY OF PUGET SOUND, 1500 N WARNER, TACOMA, WA 98416	NONE  SUMMER ACADEMIC CHALLENGE	PUBLIC CHARITY	5,000.
THE ZOO SOCIETY, 5400 N PEARL STREET, TACOMA, WA 98407	NONE  LOW INCOME SCHOLARSHIP FUND	PUBLIC CHARITY	5,000.
CHILDREN'S MUSEUM OF TACOMA, 936 BROADWAY, TACOMA, WA 98402	NONE  THE LEARNING LOUNGE	PUBLIC CHARITY	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			55,200.