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

OMB No 1545-0052

2010Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation Peter H Michaelson Foundation		A Employer identification number 13-3503389
Number and street (or P O box number if mail is not delivered to street address) 2865 NW Shenandoah	Room/suite	B Telephone number (see page 10 of the instructions) 503-274-8934
City or town, state, and ZIP code Portland OR 97210		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$	J Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	0			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	151	151	151	
	4 Dividends and interest from securities	15,936	15,936	15,936	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	16,087	16,087	16,087		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	90			
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	883			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23				
	25 Contributions, gifts, grants paid	27,120			
26 Total expenses and disbursements. Add lines 24 and 25	28,093				
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-12,006				
b Net investment income (if negative, enter -0-)		16,087			
c Adjusted net income (if negative, enter -0-)			16,087		

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Cat No 11289X

Form **990-PF** (2010)

SCANNED MAY 27 2011

P 12

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing				
	2 Savings and temporary cash investments		1,235,059	1,020,149	1,020,149
	3 Accounts receivable ▶				
	Less: allowance for doubtful accounts ▶				
	4 Pledges receivable ▶				
	Less: allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (attach schedule) ▶				
	Less: allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments—U.S. and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule)		83,640	333,320	333,320
	c Investments—corporate bonds (attach schedule)		87,620	88,862	88,862
	11 Investments—land, buildings, and equipment: basis ▶				
Liabilities	Less: accumulated depreciation (attach schedule) ▶				
	12 Investments—mortgage loans		150,000	150,000	150,000
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		1,556,319	1,592,331	1,592,331
	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ▶)				
	23 Total liabilities (add lines 17 through 22)				
	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 type="checkbox"/>				
	and complete lines 27 through 31.				
Net Assets or Fund Balances	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see page 17 of the instructions)				
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)		0	0	

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	1,556,319
2 Enter amount from Part I, line 27a	2	-12,006
3 Other increases not included in line 2 (itemize) ▶ <u>increase in value of market securities</u>	3	24,006
4 Add lines 1, 2, and 3	4	1,592,331
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,592,331

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				
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				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	{ }		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(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))
2009	37,724	1,336,708	2.82
2008	25,100	1,038,070	2.42
2007	32,678	751,278	4.35
2006	42,574	733,180	5.81
2005	24,276	768,726	3.19
2 Total of line 1, column (d)			2 18.59
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 3.72
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 1,534,116
5 Multiply line 4 by line 3			5 57,036
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 161
7 Add lines 5 and 6			7 57,197
8 Enter qualifying distributions from Part XII, line 4 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 on page 18.			8 28,093

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	322
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	322
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	322
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	0
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	322
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be. Credited to 2011 estimated tax Refunded	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		<input checked="" type="checkbox"/>
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		<input checked="" type="checkbox"/>
c Did the foundation file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ <u>0</u> (2) On foundation managers. ▶ \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		<input checked="" type="checkbox"/>
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?		<input checked="" type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		<input checked="" type="checkbox"/>
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	<input checked="" type="checkbox"/>	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	<input checked="" type="checkbox"/>	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Delaware, Oregon</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	<input checked="" type="checkbox"/>	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		<input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		<input checked="" type="checkbox"/>

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶				
14	The books are in care of ▶ <u>Peter Michaelson</u>	Telephone no. ▶	<u>503-274-8934</u>	
	Located at ▶ <u>2865 NW Sherandoah Portland OR</u>	ZIP+4 ▶	<u>97210-2813</u>	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here.	15		✓
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No ✓
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶				

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input 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? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b	✓
Organizations relying on a current notice regarding disaster assistance check here		✓
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	✓
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b	✓
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2010 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 2010.)	3b	✓
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2010?	4b	✓

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

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b** ☐ Yes ☒ No
Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No
If "Yes," attach the statement required by Regulations section 53.4945–5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☐ Yes ☒ No
If "Yes" to 6b, 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? **7b** ☐ Yes ☒ No

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of 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	(e) Expense account, other allowances
Peter H Michaelson 2865 NW Shenandoah Portland OR 97210	President - 2 hours			

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). 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 ▶

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 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	
b	Average of monthly cash balances	1b	411,555
c	Fair market value of all other assets (see page 25 of the instructions)	1c	1,145,923
d	Total (add lines 1a, b, and c)	1d	1,557,478
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,557,478
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	23,362
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,534,116
6	Minimum investment return. Enter 5% of line 5	6	76,706

Part XI Distributable Amount (see page 25 of the 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	76,706
2a	Tax on investment income for 2010 from Part VI, line 5	2a	322
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	322
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	76,384
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	76,384

Part XII Qualifying Distributions (see page 25 of the 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	28,043
b	Program-related investments—total from Part IX-B	1b	38,043
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	28,093
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	28,093

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				76,384
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			9,953	
b Total for prior years. 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2010 from Part XII, line 4. ► \$ 28,093				
a Applied to 2009, but not more than line 2a			9,953	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				18,140
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0			
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 page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				58,244
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b 85% of line 2a		NOT	APPLICABLE	
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon:				
a "Assets" alternative test—enter:				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b "Endowment" alternative test—enter ^{2/3} of minimum investment return shown in Part X, line 6 for each year listed				
c "Support" alternative test—enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of 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).)

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- 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 page 28 of the 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:

Peter Michaelson, 2865 NW Shenandoah, Portland OR 97210

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

non specified

- c** Any submission deadlines:

none

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

we make donations only to entities with which we are personally familiar - unsolicited requests are ignored

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> on separate sheet				
Total				3a
b <i>Approved for future payment</i> None				
Total				3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount		
1 Program service revenue:						
a None						
b						
c		N/A				
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities						
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory						
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue: a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)						
13 Total. Add line 12, columns (b), (d), and (e)						

(See worksheet in line 13 instructions on page 29 to verify calculations.)

13 _____

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | Yes | No |
|---|--|-------|----|
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | ✓ |
| | (2) Other assets | 1a(2) | ✓ |
| b | Other transactions. | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | ✓ |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | ✓ |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | ✓ |
| | (4) Reimbursement arrangements | 1b(4) | ✓ |
| | (5) Loans or loan guarantees | 1b(5) | ✓ |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | ✓ |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | ✓ |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date

President

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ►

Firm's address ►

Phone no

Peter H Michaelson Foundation

Part XV

	<u>Individual?</u>	<u>Category</u>	<u>501(c)(3) org?</u>	<u>Purpose</u>	<u>Amount</u>
Audobon Society Portland OR	No	Environmental	yes	general support	
Child Aid Portland OR	No	Child Welfare	yes	general support	
Childrens International Kansas City MO	No	Child Welfare	yes	general support	
Columbia Business Schoc New York NY	No	Education	yes	general support	
CRAG Portland OR	No	Environmental	yes	general support	15,000
French American School Portland OR	No	Education	yes	general support	4,850
Friendly House Portland OR	No	Child Welfare	yes	general support	5,000
Friends School Atlanta GA	No	Education	yes	general support	
Library Foundation Portland OR	No	Education	yes	general support	
Lincoln Foundation Portland OR	No	Education	yes	general support	2,000
Loaves & Fishes Portland OR	No	Human welfare	yes	general support	
National Trust Washington DC	No	Preservation	yes	general support	
Oregon Food Bank Portland OR	No	Human welfare	yes	general support	
Oregon Humane Society Portland OR	No	Animal welfare	yes	general support	
Oregon Soccer Academy Portland OR	No	Youth sports	yes	general support	
Portland Rescue Mission Portland OR	No	Poverty Assitance	yes	general support	
Portland State University Portland OR	No	Education	yes	general support	
Riverbrnnk Museum Portland OR	No	Arts	yes	general support	
Run for the Arts Portland OR	No	Arts	yes	general support	200
Sierra Club San Francisco CA	No	Environmental	yes	general support	
World Affairs Council Portland OR	No	Education	yes	general support	70

27,120

Peter H Michaelson Foundation

Schedule B - contributions

no contributions received in 2010

	Cash	Cash	Certificate	Cash Bond Fund	Mkt.Val.	Mkt.Val.	Mortgage	Total	Net
	<u>Albina</u>	<u>Schwab</u>	<u>of Deposit</u>	<u>Total</u>	<u>Schwab</u>	<u>Schwab</u>	<u>Note</u>	<u>Securities</u>	<u>Assets</u>
Dec'09	25,720	1,209,339		1,235,059	87,620	83,640	150,000	321,260	1,556,319
Jan	25,723	1,209,816		1,235,540	88,137	78,090	150,000	316,227	1,551,767
Feb	25,727	1,209,841		1,235,567	88,137	79,050	150,000	317,187	1,552,754
Mar	25,730	1,205,553		1,231,282	88,137	77,160	150,000	315,297	1,546,579
Apr	25,733	1,202,727		1,228,460	88,551	81,300	150,000	319,851	1,548,311
May	25,736	1,202,714		1,228,449	88,241	73,410	150,000	311,651	1,540,100
Jun	25,739	1,203,425		1,229,164	88,655	79,650	150,000	318,305	1,547,469
Jul	25,742	1,204,484		1,230,226	89,068	92,070	150,000	331,138	1,561,364
Aug	25,746	1,004,277		1,030,023	89,275	259,710	150,000	498,985	1,529,008
Sep	25,749	1,005,334		1,031,083	89,379	301,730	150,000	541,109	1,572,192
Oct	25,752	1,006,294		1,032,047	89,586	308,970	150,000	548,556	1,580,603
Nov	25,755	993,324		1,019,080	89,275	308,900	150,000	548,175	1,567,255
Dec'10	25,759	994,391		1,020,149	88,862	333,320	150,000	572,182	1,592,331
Avg				1,145,923				411,555	1,557,478

Part I

1	Contributions	0
3	Interest	151
4	div/int fm securities	15,936
	total investment income	16,087
12	total income	16,087
18	Taxes	(883)
23	Other	(90)
25	Donations	(27,120)
26	total expense	(28,093)
		(12,006)

Part II

		Last Year	This Year
2		1,235,059	1,020,149
10b		83,640	333,320
10c		87,620	88,862
12		150,000	150,000
16		1,556,319	1,592,331
28			
29		1,556,319	1,592,331
30		1,556,319	1,592,331

Part III

1	1,556,319
2	(12,006)
3	24,006
4	1,568,320
5	
6	1,568,320

Part V

	part12, line	part 10, line 5
2009	37,724	1,336,708
2008	25,100	1,038,070
2007	32,678	751,278
2006	42,574	733,180
2005	24,543	768,726
	Line 2	18.59
	Line 3	3.72
	Line 4	1,534,116
	Line 5	57,036
	Line 6	161
	Line 7	57,197
	Line 8	

Part X

1a	411,555
1b	1,145,923
1d	1,557,478
2	0
3	1,557,478
4	23,362
5	1,534,116
6	76,706

Part XI

1	76,706
2	322
3	76,384

Part XII

1	28,093
4	28,093
5	
6	28,093

Part VI

line 27b	16,087
	0.0200
	322

undistributed Income

	XI 7	XII 4	Cumulative	Cumulative	
	Distributable Amount	Distributed	Distnbutable	Distributed	undistribted
1988	0	0			
1989	6,125	17,435	6,125	17,435	(11,310)
1990	7,572	4,150	13,697	21,585	(7,888)
1991	7,733	5,635	21,430	27,220	(5,790)
1992	8,281	6,940	29,711	34,160	(4,449)
1993	8,621	1,864	38,332	36,024	2,308
1994	8,507	4,297	46,839	40,321	6,518
1995	9,603	9,735	56,442	50,056	6,386
1996	10,990	9,477	67,432	59,533	7,899
1997	13,510	11,500	80,942	71,033	9,909
1998	13,644	10,703	94,586	81,736	12,850
1999	13,910	17,457	108,496	99,193	9,303
2000	13,714	18,110	122,210	117,303	4,907
2001	14,088	26,037	136,298	143,340	(7,042)
2002	20,324	45,402	156,622	188,742	(32,120)
2003	39,530	55,974	196,152	244,716	(48,564)
2004	41,534	49,167	237,686	293,883	(56,197)
2005	37,963	24,543	275,649	318,426	(42,777)
2006	36,352	42,574	312,001	361,000	(48,999)
2007	36,954	32,678	348,955	393,678	(44,723)
2008	51,317	25,100	400,272	418,778	(18,506)
2009	66,183	37,724	466,455	456,502	9,953
2010	76,384	28,093	542,839	484,595	58,244

<u>Date</u>	<u>Bank</u>	<u>Doc</u>	<u>counterparty</u>	<u>category</u>	<u>amount</u>
8/5/2010	Schwab		BP-long	stock purchase	(203,154 24)
2/9/2010	Schwab	363	Lincoln Foundation	Charity	(1,000 00)
2/10/2010	Schwab	364	World Affairs Council	Charity	(70 00)
2/18/2010	Schwab	365	FAIS	Charity	(1,000 00)
3/17/2010	Schwab	407	FAIS	Charity	(2,500 00)
3/17/2010	Schwab	406	Friendly House	Charity	(4,500 00)
4/2/2010	Schwab	408	Run For The Arts	Charity	(200 00)
4/10/2010	Schwab	409	Friendly House	Charity	(500 00)
5/4/2010	Schwab	410	Lincoln Foundation	Charity	(1,000 00)
5/14/2010	Schwab	411	FAIS	Charity	(350 00)
10/31/2010	Schwab	415	CRAIG	Charity	(15,000 00)
11/1/2010	Schwab	416	FAIS	Charity	(1,000 00)
1/29/2010	Schwab		Federated Income	Dividend	218 01
2/12/2010	Schwab		LINE	Dividend	1,890 00
2/26/2010	Schwab		Federated Income	Dividend	195 13
3/31/2010	Schwab		Federated Income	Dividend	201 00
4/30/2010	Schwab		Federated Income	Dividend	164 53
5/14/2010	Schwab		LINE	Dividend	1,890 00
5/28/2010	Schwab		Federated Income	Dividend	170 09
6/26/2010	Schwab		Federated Income	Dividend	175 69
7/30/2010	Schwab		Federated Income	Dividend	173 92
8/13/2010	Schwab		LINE	Dividend	1,890 00
8/31/2010	Schwab		Federated Income	Dividend	172 90
9/30/2010	Schwab		Federated Income	Dividend	173 08
10/29/2010	Schwab		Federated Income	Dividend	167 76
11/12/2010	Schwab		LINE	Dividend	1,980 00
11/30/2010	Schwab		Federated Income	Dividend	166 10
12/30/2010	Schwab		Federated Income	Dividend	182 96
1/29/2010	Albina Bank		Albina	Interest	3 07
2/28/2010	Albina Bank		Albina	Interest	2 96
3/28/2010	Albina Bank		Albina	Interest	3 49
4/30/2010	Albina Bank		Albina	Interest	3 17
5/31/2010	Albina Bank		Albina	Interest	2 96
6/30/2010	Albina Bank		Albina	Interest	3 49
7/30/2010	Albina Bank		Albina	Interest	3 17
8/31/2010	Albina Bank		Albina	Interest	3 39
9/30/2010	Albina Bank		Albina	Interest	3 17
10/31/2010	Albina Bank		Albina	Interest	3 07
11/30/2010	Albina Bank		Albina	Interest	3 39
12/31/2010	Albina Bank		Albina	Interest	3 28
1/28/2010	Schwab		Schwab Money Market	Interest	9 52
2/25/2010	Schwab		Schwab Money Market	Interest	9 24
3/30/2010	Schwab		Schwab Money Market	Interest	10 89
4/29/2010	Schwab		Schwab Money Market	Interest	9 90
5/27/2010	Schwab		Schwab Money Market	Interest	9 24
6/25/2010	Schwab		Schwab Money Market	Interest	10 89
7/29/2010	Schwab		Schwab Money Market	Interest	9 90
8/30/2010	Schwab		Schwab Money Market	Interest	9 53
9/29/2010	Schwab		Schwab Money Market	Interest	8 40
10/28/2010	Schwab		Schwab Money Market	Interest	8 12
11/29/2010	Schwab		Schwab Money Market	Interest	8 70
12/30/2010	Schwab		Schwab Money Market	Interest	8 37
6/14/2010	Schwab		Hassin Note	Interest	875 00
7/14/2010	Schwab		Hassin Note	Interest	875 00
8/11/2010	Schwab		Hassin Note	Interest	875 00
9/13/2010	Schwab		Hassin Note	Interest	875 00
10/11/2010	Schwab		Hassin Note	Interest	875 00
11/15/2010	Schwab		Hassin Note	Interest	875 00
12/16/2010	Schwab		Hassin Note	Interest	875 00
10/11/2010	Schwab	414	Agents & Corporations	Misc	(90 00)
5/14/2010	Schwab	413	Internal Revenue Service	Tax	(652 00)
5/14/2010	Schwab	412	Oregon Dept Of Justice	Tax	(231 00)