

**Return of Organization Exempt From Income Tax**

Department of the Treasury  
Internal Revenue Service

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.

Open to Public Inspection

**A** For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

<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	<b>C</b> Name of organization PORTLAND ART MUSEUM	<b>D</b> Employer identification number 93-0391604
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1219 S.W. PARK AVENUE	<b>E</b> Telephone number (503) 226-2811
	City or town, state or country, and ZIP + 4 PORTLAND, OR 97205-2430	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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).

Hand I are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates  N/A

**H(c)** Are all affiliates included?  N/A  Yes  No (If "No," attach a list.)

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

**G** Website: WWW.PORTLANDARTMUSEUM.ORG

**J** Organization type (check only one)  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.

**I** Group Exemption Number  N/A

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12  19,633,609.

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

		Revenue		Expenses		Net Assets	
<b>1</b>	Contributions, gifts, grants, and similar amounts received:						
<b>a</b>	Contributions to donor advised funds	<b>1a</b>					
<b>b</b>	Direct public support (not included on line 1a)	<b>1b</b>	12,766,344.				
<b>c</b>	Indirect public support (not included on line 1a)	<b>1c</b>					
<b>d</b>	Government contributions (grants) (not included on line 1a)	<b>1d</b>	29,000.				
<b>e</b>	<b>Total</b> (add lines 1a through 1d) (cash \$ 12,676,960. noncash \$ 118,384. )	<b>1e</b>				12,795,344.	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>				2,776,733.	
<b>3</b>	Membership dues and assessments	<b>3</b>				241,200.	
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>				191,124.	
<b>5</b>	Dividends and interest from securities	<b>5</b>				825,541.	
<b>6 a</b>	Gross rents SEE STATEMENT 1	<b>6a</b>	1,366,585.				
<b>b</b>	Less: rental expenses SEE STATEMENT 2	<b>6b</b>	603,506.				
<b>c</b>	Net rental income or (loss). Subtract line 6b from line 6a	<b>6c</b>				763,079.	
<b>7</b>	Other investment income (describe )	<b>7</b>					
<b>8 a</b>	Gross amount from sales of assets other than inventory	<b>(A) Securities</b>		<b>(B) Other</b>			
<b>b</b>	Less: cost or other basis and sales expenses	<b>8a</b>		<b>8b</b>			
<b>c</b>	Gain or (loss) (attach schedule)	<b>8c</b>					
<b>d</b>	Net gain or (loss). Combine line 8c, columns (A) and (B)	<b>8d</b>					
<b>9</b>	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
<b>a</b>	Gross revenue (not including \$ 19,053. of contributions reported on line 1b)	<b>9a</b>	159,247.				
<b>b</b>	Less: direct expenses other than fundraising expenses	<b>9b</b>	71,543.				
<b>c</b>	Net income or (loss) from special events. Subtract line 9b from line 9a SEE STATEMENT 3	<b>9c</b>				87,704.	
<b>10 a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>	1,216,601.				
<b>b</b>	Less: cost of goods sold	<b>10b</b>	622,909.				
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 4	<b>10c</b>				593,692.	
<b>11</b>	Other revenue (from Part VII, line 103)	<b>11</b>				61,234.	
<b>12</b>	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>				18,335,651.	
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>				10,899,872.	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>				3,724,010.	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>				1,724,794.	
<b>16</b>	Payments to affiliates (attach schedule)	<b>16</b>					
<b>17</b>	<b>Total expenses.</b> Add lines 16 and 44, column (A)	<b>17</b>				16,348,676.	
<b>18</b>	Excess or (deficit) for the year. Subtract line 17 from line 12	<b>18</b>				1,986,975.	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>				115,240,568.	
<b>20</b>	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5	<b>20</b>				-3,500,146.	
<b>21</b>	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	<b>21</b>				113,727,397.	

**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.








<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ 0, noncash \$ 0, If this amount includes foreign grants, check here <input type="checkbox"/> <b>22a</b> )				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ 0, noncash \$ 0, If this amount includes foreign grants, check here <input type="checkbox"/> <b>22b</b> )				
<b>23</b> Specific assistance to individuals (attach schedule) <b>23</b>				
<b>24</b> Benefits paid to or for members (attach schedule) <b>24</b>				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A <b>25a</b>	507,349.	0.	300,832.	206,517.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B <b>25b</b>	0.	0.	0.	0.
<b>c</b> 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) <b>25c</b>				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c <b>26</b>	5,061,298.	2,671,014.	1,851,733.	538,551.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c <b>27</b>	122,842.	59,562.	59,953.	3,327.
<b>28</b> Employee benefits not included on lines 25a - 27 <b>28</b>	620,755.	236,047.	287,432.	97,276.
<b>29</b> Payroll taxes <b>29</b>	432,703.	182,156.	171,300.	79,247.
<b>30</b> Professional fundraising fees <b>30</b>	26,175.			26,175.
<b>31</b> Accounting fees <b>31</b>	133,162.		133,162.	
<b>32</b> Legal fees <b>32</b>	41,930.	2,857.	38,944.	129.
<b>33</b> Supplies <b>33</b>	255,225.	142,431.	58,762.	54,032.
<b>34</b> Telephone <b>34</b>	46,838.	4,593.	42,086.	159.
<b>35</b> Postage and shipping <b>35</b>	797,127.	685,535.	25,768.	85,824.
<b>36</b> Occupancy <b>36</b>	942,313.	218,422.	723,891.	
<b>37</b> Equipment rental and maintenance <b>37</b>	191,149.	36,415.	154,240.	494.
<b>38</b> Printing and publications <b>38</b>	285,495.	111,746.	5,084.	168,665.
<b>39</b> Travel <b>39</b>	206,026.	196,124.	8,653.	1,249.
<b>40</b> Conferences, conventions, and meetings <b>40</b>	12,189.	2,771.	2,280.	7,138.
<b>41</b> Interest <b>41</b>	964,685.		964,685.	
<b>42</b> Depreciation, depletion, etc. (attach schedule) <b>42</b>	1,447,602.	1,123,435.	298,803.	25,364.
<b>43</b> Other expenses not covered above (itemize):				
a _____ <b>43a</b>				
b _____ <b>43b</b>				
c _____ <b>43c</b>				
d _____ <b>43d</b>				
e _____ <b>43e</b>				
f _____ <b>43f</b>				
g SEE STATEMENT 6 <b>43g</b>	4,253,813.	5,226,764.	-1,403,598.	430,647.
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) <b>44</b>	16,348,676.	10,899,872.	3,724,010.	1,724,794.

**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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

**Part III Statement of Program Service Accomplishments** (See the instructions.)

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? 	<b>Program Service Expenses</b>
ACCESS, EDUCATION, COLLECTION AND PRESERVATION OF ART.  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.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
<b>a</b> SEE STATEMENT 7          (Grants and allocations \$ ) If this amount includes foreign grants, check here 	8,900,116.
<b>b</b> FILM CENTER PROGRAMS: CONDUCTS EXHIBITION PROGRAMS SUPPORTED BY VISITING ARTISTS AND PROVIDES EDUCATION COURSES IN FILM MAKING. THERE WERE 54,960 ATTENDEES IN FISCAL YEAR 2007-2008.          (Grants and allocations \$ ) If this amount includes foreign grants, check here 	1,387,635.
<b>c</b> ACQUISITION OF ART: EXPANDING THE MUSEUM'S PERMANENT COLLECTION FOR VIEWING.          (Grants and allocations \$ ) If this amount includes foreign grants, check here 	612,121.
<b>d</b>          (Grants and allocations \$ ) If this amount includes foreign grants, check here 	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here 	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) 	10,899,872.

**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
<b>Assets</b>	45 Cash - non-interest-bearing .....	1,829,344.	45	1,826,666.
	46 Savings and temporary cash investments .....	5,573,366.	46	5,640,803.
	47 a Accounts receivable .....	47a 602,586.		
	b Less: allowance for doubtful accounts .....	47b	762,815.	47c 602,586.
	48 a Pledges receivable .....	48a 12,559,596.		
	b Less: allowance for doubtful accounts .....	48b	14,284,359.	48c 12,559,596.
	49 Grants receivable .....		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees .....			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....			50b
	51 a Other notes and loans receivable .....	51a		
	b Less: allowance for doubtful accounts .....	51b		51c
	52 Inventories for sale or use .....		283,312.	52 275,762.
	53 Prepaid expenses and deferred charges .....		135,679.	53 142,119.
	54 a Investments - publicly-traded securities STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		43,001,187.	54a 37,022,158.
	b Investments - other securities STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		5,703,991.	54b 5,977,061.
	55 a Investments - land, buildings, and equipment: basis STMT 8	55a 4,837,854.		
	b Less: accumulated depreciation STMT 10	55b	4,837,854.	55c 4,837,854.
	56 Investments - other .....			56
	57 a Land, buildings, and equipment: basis	57a 77,390,009.		
b Less: accumulated depreciation STMT 11	57b 15,582,864.	63,360,884.	57c 61,807,145.	
58 Other assets, including program-related investments (describe <input checked="" type="checkbox"/> CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES )		567,235.	58 636,360.	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58		140,340,026.	59 131,328,110.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses .....	3,962,439.	60	1,281,351.
	61 Grants payable .....		61	
	62 Deferred revenue .....	322,892.	62	512,205.
	63 Loans from officers, directors, trustees, and key employees .....		63	
	64 a Tax-exempt bond liabilities .....		64a	
	b Mortgages and other notes payable STMT 13	20,814,127.	64b	15,807,157.
	65 Other liabilities (describe <input type="checkbox"/> )		65	
66 <b>Total liabilities.</b> Add lines 60 through 65		25,099,458.	66 17,600,713.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>			
	67 Unrestricted .....	83,106,745.	67	78,754,924.
	68 Temporarily restricted .....	7,541,434.	68	5,655,748.
	69 Permanently restricted .....	24,592,389.	69	29,316,725.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>			
	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 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		115,240,568.	73 113,727,397.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		140,340,026.	74 131,328,110.	

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

Table with 5 main rows (a-e) and sub-rows (1-4, d1-d2) for adjustments. Total revenue is 18,335,651.

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

Table with 5 main rows (a-e) and sub-rows (1-4, d1-d2) for adjustments. Total expenses are 16,348,676.

**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.)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. One row is filled with data from SEE STATEMENT 17.

<b>Part V-A Current Officers, Directors, Trustees, and Key Employees</b> <i>(continued)</i>		Yes	No
<b>75 a</b>	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ..... <span style="float: right;">45</span>		
<b>b</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) ..... <span style="float: right;">SEE STATEMENT 18</span>	75b	X
<b>c</b>	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." ..... If "Yes," attach a statement that includes the information described in the instructions.	75c	X
<b>d</b>	Does the organization have a written conflict of interest policy? .....	75d	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 & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 19				
JOHN BUCHANAN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	0.	2,009,077.	0.	0.
LUCY BUCHANAN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	0.	716,439.	0.	0.

<b>Part VI Other Information</b> <i>(See the instructions.)</i>		Yes	No
<b>76</b>	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
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? ..... If "Yes," attach a conformed copy of the changes.	77	X
<b>78 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? .....	78a	X
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? .....	78b	X
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement .....	79	X
<b>80 a</b>	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? .....	80a	X
<b>b</b>	If "Yes," enter the name of the organization <span style="float: right;">N/A</span> ..... and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81 a</b>	Enter direct and indirect political expenditures. (See line 81 instructions.) ..... <span style="float: right;">81a</span> <span style="float: right;">0.</span>		
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year? .....	81b	X

<b>Part VI Other Information</b> (continued)		Yes	No
<b>82 a</b>	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? .....	<b>82a</b>	X
<b>b</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.) .....	<b>82b</b>	302,776.
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications? .....	<b>83a</b>	X
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? .....	<b>83b</b>	X
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible? .....	<b>84a</b>	X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? .....	<b>84b</b>	N/A
<b>85 a</b>	<b>501(c)(4), (5), or (6).</b> Were substantially all dues nondeductible by members? .....	<b>85a</b>	N/A
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? .....	<b>85b</b>	N/A
If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
<b>c</b>	Dues, assessments, and similar amounts from members .....	<b>85c</b>	N/A
<b>d</b>	Section 162(e) lobbying and political expenditures .....	<b>85d</b>	N/A
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices .....	<b>85e</b>	N/A
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e) .....	<b>85f</b>	N/A
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? .....	<b>85g</b>	N/A
<b>h</b>	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? .....	<b>85h</b>	N/A
<b>86</b>	<b>501(c)(7) organizations.</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12 .....	<b>86a</b>	N/A
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities .....	<b>86b</b>	N/A
<b>87</b>	<b>501(c)(12) organizations.</b> Enter: <b>a</b> Gross income from members or shareholders .....	<b>87a</b>	N/A
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) .....	<b>87b</b>	N/A
<b>88 a</b>	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 .....	<b>88a</b>	X
<b>b</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 .....	<b>88b</b>	X
<b>89 a</b>	<b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0. ....		
<b>b</b>	<b>501(c)(3) and 501(c)(4) organizations.</b> 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 .....	<b>89b</b>	X
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 .....		0.
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization .....		0.
<b>e</b>	<b>All organizations.</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? .....	<b>89e</b>	X
<b>f</b>	<b>All organizations.</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract? .....	<b>89f</b>	X
<b>g</b>	<b>For supporting organizations and sponsoring organizations maintaining donor advised funds.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? .....	<b>89g</b>	X
<b>90 a</b>	List the states with which a copy of this return is filed ▶ OR		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 .....	<b>90b</b>	214
<b>91 a</b>	The books are in care of ▶ GARETH NEVITT Telephone no. ▶ (503) 226-2811 Located at ▶ 1219 S.W. PARK AVENUE, PORTLAND, OR ZIP + 4 ▶ 97205-2430		
<b>b</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)? .....	<b>91b</b>	X
If "Yes," enter the name of the foreign country ▶ N/A			
See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , 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? 91c    
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here   
 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		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a ADMISSIONS					1,664,733.
b TUITION AND FEES					493,213.
c RENTAL SALES GALLERY					403,106.
d OTHER PROGRAM SERVICES FEES					215,681.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					241,200.
95 Interest on savings and temporary cash investments			14	191,124.	
96 Dividends and interest from securities			14	825,541.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	746,091.	
98 Net rental income or (loss) from personal property					16,988.
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	87,704.	
102 Gross profit or (loss) from sales of inventory					593,692.
103 Other revenue:					
a MISCELLANEOUS					49,734.
b ADVERTISING	541800	11,500.			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		11,500.		1,850,460.	3,678,347.
105 Total (add line 104, columns (B), (D), and (E))					5,540,307.

**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).
▼	SEE STATEMENT 20

**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). N/A

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.

<b>Yes</b>	<b>No</b>

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

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.

<b>Yes</b>	<b>No</b>

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

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?

<b>Yes</b>	<b>No</b>

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>Please Sign Here</b>	Signature of officer _____ GARETH NEVITT, CHIEF FINANCIAL OFFICER Type or print name and title	Date _____	
<b>Paid Preparer's Use Only</b>	Preparer's signature _____ Firm's name (or yours if self-employed), address, and ZIP + 4 GARY MCGEE & CO. 522 S.W. FIFTH AVENUE, SUITE 1300 PORTLAND, OREGON 97204-2130	Date _____ Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) _____ EIN _____ Phone no. (503) 222-2515

**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

**2007**

Name of the organization <b>PORTLAND ART MUSEUM</b>	Employer identification number <b>93 0391604</b>
--	---

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the 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 & deferred compensation	(e) Expense account and other allowances
JOHN MAY 1219 SW PARK AVENUE, PORTLAND, OR 972	DEVELOPMENT DIRECTOR 35.00	165,024.	458.	
BRUCE GUENTHER 1219 SW PARK AVENUE, PORTLAND, OR 972	CHIEF CURATOR 35.00	113,663.	13,572.	
DON URQUHART 1219 SW PARK AVENUE, PORTLAND, OR 972	COLLECTION MGMT DIR 35.00	91,163.	10,534.	
CHARLES BEARDEN 1219 SW PARK AVENUE, PORTLAND, OR 972	OPERATIONS DIR. 35.00	86,898.	13,648.	
ANNETTE DIXON 1219 SW PARK AVENUE, PORTLAND, OR 972	CURATOR OF PRNTS/DRW 35.00	86,146.	11,873.	
Total number of other employees paid over \$50,000	22			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the 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
TWO DEGREES LLC P O BOX 84904, SEATTLE, WA 98124	TEMPORARY STAFFING	91,030.
PENELOPE HUNTER-STIEBEL 252 EAST 68TH STREET, NEW YORK, NY 10021	CONSULTING CURATOR	62,011.
GARY MCGEE & CO. 522 SW FIFTH AVE., SUITE 1300, PORTLAND, OR 97204	AUDIT	51,289.
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 page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SALVADOR MOLLY'S INC 2236 SE BELMONT STREET, PORTLAND, OR 97214	CATERING	338,759.
MILLCROSS LITHO INC 1105 SE MAIN STREET, PORTLAND, OR 97214	PRINTING & PUBLICATIONS	143,170.
PREMIER PRESS 510 NW 15TH AVENUE, PORTLAND, OR 97209	PRINTING	126,892.
AD MAIL INC 905 NW 17TH AVENUE, PORTLAND, OR 97209	MAIL PROCESSING	93,772.
CONTROL CONTRACTORS 5000 SE 25TH AVE, PORTLAND, OR 97202	HVAC MAINTENANCE & MONITORING	89,051.
Total number of other contractors receiving over \$50,000 for other services	2	

**Part III Statements About Activities** (See page 2 of the instructions.)

		Yes	No
<b>1</b>	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 ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) 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.		X
<b>2</b>	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.)		
<b>a</b>	Sale, exchange, or leasing of property? .....		X
<b>b</b>	Lending of money or other extension of credit? .....		X
<b>c</b>	Furnishing of goods, services, or facilities? .....		X
<b>d</b>	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990 .....	X	
<b>e</b>	Transfer of any part of its income or assets? .....		X
<b>3 a</b>	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.) .....		X
<b>b</b>	Did the organization have a section 403(b) annuity plan for its employees? .....	X	
<b>c</b>	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 .....		X
<b>d</b>	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? .....		X
<b>4 a</b>	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g .....		X
<b>b</b>	Did the organization make any taxable distributions under section 4966? .....		N/A
<b>c</b>	Did the organization make a distribution to a donor, donor advisor, or related person? .....		N/A
<b>d</b>	Enter the total number of donor advised funds owned at the end of the tax year .....		N/A
<b>e</b>	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year .....		N/A
<b>f</b>	Enter the total number of separate funds or accounts owned at the end of the 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.
<b>g</b>	Enter the aggregate value of assets 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 pages 4 through 8 of the 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.)
- 11a  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.)
- 11b  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 page 8 of the 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?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					▶

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 9 of the instructions.)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		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? .....		
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? .....		
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? ..... 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? .....		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....		
d	Copies of all material used by the organization or on its behalf to solicit contributions? ..... 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? .....		
b	Admissions policies? .....		
c	Employment of faculty or administrative staff? .....		
d	Scholarships or other financial assistance? .....		
e	Educational policies? .....		
f	Use of facilities? .....		
g	Athletic programs? .....		
h	Other extracurricular activities? .....		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency? .....		
b	Has the organization's right to such aid ever been revoked or suspended? .....		
	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 .....		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)

N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group. Check **b**  if you checked "a" and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) .....	<b>38</b>		
<b>39</b> Other exempt purpose expenditures .....	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) .....	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table -			
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>		
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 .....	<b>41</b>	
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 .....		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) .....	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	<b>44</b>		

**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 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount .....					0.
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....					0.
<b>47</b> Total lobbying expenditures .....					0.
<b>48</b> Grassroots nontaxable amount .....					0.
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) .....					0.
<b>50</b> Grassroots lobbying expenditures .....					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

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
<b>a</b> Volunteers .....			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .) .....			
<b>c</b> Media advertisements .....			
<b>d</b> Mailings to members, legislators, or the public .....			
<b>e</b> Publications, or published or broadcast statements .....			
<b>f</b> Grants to other organizations for lobbying purposes .....			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....			
<b>i</b> Total lobbying expenditures (Add lines <b>c</b> through <b>h</b> .) .....			0.

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





FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
PARKING LOT	1	332,071.
MUSEUM FACILITY RENTAL	2	1,017,526.
NWFC EQUIPMENT RENTAL FEES	4	16,988.
TOTAL TO FORM 990, PART I, LINE 6A		1,366,585.

FORM 990 RENTAL EXPENSES STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
SALARIES AND CONTRACT LABOR		383,246.	
DEPRECIATION		199,201.	
MISCELLANEOUS		21,059.	
- SUBTOTAL -	2		603,506.
TOTAL TO FORM 990, PART I, LINE 6B			603,506.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME OR (LOSS)
THE ART OF BUCCELLATI	5,441.	5,441.		1,218.	-1,218.
CHUCK CLOSE OPENING	12,280.		12,280.	17,600.	-5,320.
THE DANCER MEMBERS' NIGHT	12,560.		12,560.	24,282.	-11,722.
OSCAR NIGHT	41,890.	13,612.	28,278.	28,443.	-165.
OTHER MISCELLANEOUS	106,129.		106,129.		106,129.
TO FM 990, PART I, LINE 9	178,300.	19,053.	159,247.	71,543.	87,704.

FORM 990

INCOME AND COST OF GOODS SOLD  
INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

1. GROSS RECEIPTS . . . . .	1,216,601	
2. RETURNS AND ALLOWANCES . . . . .		
3. LINE 1 LESS LINE 2 . . . . .		1,216,601
4. COST OF GOODS SOLD (LINE 13) . . . . .	622,909	
5. GROSS PROFIT (LINE 3 LESS LINE 4) . . . . .		593,692

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR . . . . .	283,312	
7. MERCHANDISE PURCHASED . . . . .	615,359	
8. COST OF LABOR . . . . .		
9. MATERIALS AND SUPPLIES . . . . .		
10. OTHER COSTS . . . . .		
11. ADD LINES 6 THROUGH 10 . . . . .		898,671
12. INVENTORY AT END OF YEAR . . . . .	275,762	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). . . . .		622,909

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
CHANGE IN FAIR MARKET VALUE OF INVESTMENTS	-3,500,146.
TOTAL TO FORM 990, PART I, LINE 20	-3,500,146.

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACT LABOR	1,005,356.	314,626.	539,738.	150,992.
ART PURCHASES	612,121.	612,121.		
EXHIBITION				
PARTICIPATION FEES	601,477.	601,477.		
EXHIBITION CATALOGUE	208,569.	208,569.		
ADVERTISING	472,562.	386,973.	4,502.	81,087.
EVENTS	103,919.	52,893.	554.	50,472.
INSURANCE	163,509.	75,251.	88,258.	
MERCHANT FEES	129,904.	82,011.	12,416.	35,477.
EXHIBITION AUDIO				
GUIDES	88,669.	88,669.		
EXHIBITION				
INSTALLATION	70,231.	70,231.		
EXECUTIVE SEARCH	61,323.	50,931.	10,392.	
OTHER	736,173.	453,541.	204,434.	78,198.
ADMINISTRATION				
ALLOCATION	0.	352,110.	-352,110.	
FACILITY COSTS				
ALLOCATION	0.	1,877,361.	-1,911,782.	34,421.
TOTAL TO FM 990, LN 43	4,253,813.	5,226,764.	-1,403,598.	430,647.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 7

DESCRIPTION OF PROGRAM SERVICE ONE

ART MUSEUM PROGRAMS: MAINTAINS AND EXHIBITS ART COLLECTIONS FOR PUBLIC VIEWING AND PROVIDES EDUCATION IN THE ARTS. THE ART MUSEUM RECEIVED 221,300 VISTORS WHO CAME TO VIEW OUR GALLERIES IN FISCAL YEAR 2007-2008 . OF THOSE, 24,976 WERE SCHOOL TOURS, AND APPROXIMATELY 1,000 CAME TO HEAR LECTURES. FAMILY DROP-IN SESSIONS AND OTHER MISCELLANEOUS EDUCATION DEPARTMENT SPONSORED ACTIVITIES ACCOUNTED FOR ANOTHER 300 ATTENDEES.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		8,900,116.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 8

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY FUNDS	FMV	27,118,474.			27,118,474.
FIXED INCOME MUTUAL FUNDS	FMV		9,245,033.		9,245,033.
TO FORM 990, LINE 54A, COL B		27,118,474.	9,245,033.		36,363,507.

FORM 990 GOVERNMENT SECURITIES STATEMENT 9

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
GOVERNMENT FIXED INCOME	FMV	658,651.		658,651.
TOTAL TO FORM 990, LINE 54A, COL B		658,651.		658,651.

FORM 990 DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	4,837,854.	0.	4,837,854.
TOTAL TO FORM 990, PART IV, LN 55	4,837,854.	0.	4,837,854.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 11

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	4,325,687.	3,696,486.	629,201.
BUILDINGS AND IMPROVEMENTS	69,518,367.	11,886,378.	57,631,989.
LAND	3,545,955.	0.	3,545,955.
TOTAL TO FORM 990, PART IV, LN 57	77,390,009.	15,582,864.	61,807,145.

FORM 990 OTHER ASSETS STATEMENT 12

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES	567,235.	636,360.
TOTAL TO FORM 990, PART IV, LINE 58	567,235.	636,360.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 13

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
BANK OF AMERICA		MONTHLY INTEREST AND PRINCIPAL	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
03/28/06	06/01/14	5,000,000.	5.75%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
NONE	BUILDING RENOVATIONS

RELATIONSHIP OF LENDER  
NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
CASH	5,000,000.	3,958,412.

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
BANK OF AMERICA		MONTHLY INTEREST @ LIBOR + 1.25% AND PRINCIPAL	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
08/31/04	06/01/14	15,000,000.	3.71%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
NONE	BUILDING RENOVATIONS

RELATIONSHIP OF LENDER  
NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
CASH	15,000,000.	8,348,745.

LENDER'S NAME TERMS OF REPAYMENT

BANK OF AMERICA MONTHLY INTEREST

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
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03/28/06	06/01/14	1,500,000.	7.05%
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SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

NONE BUILDING RENOVATIONS

RELATIONSHIP OF LENDER

NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
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CASH	1,500,000.	1,500,000.
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LENDER'S NAME TERMS OF REPAYMENT

TENTH & SALMON STREET CONDOMINIUMS, LLC BALLOON PAYMENT AT MATURITY

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
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12/01/05	11/02/08	2,000,000.	.00%
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SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

UNDERLYING PROPERTY LAND PURCHASE

RELATIONSHIP OF LENDER

NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
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PROPERTY	2,000,000.	2,000,000.
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TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		15,807,157.
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FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 17

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
BRIAN FERRISO 1219 S.W. PARK AVENUE PORTLAND, OR 97205	EXECUTIVE DIRECTOR 35.00	295,024.	14,375.	0.
BEVERLY PERKEL 1219 S.W. PARK AVENUE PORTLAND, OR 97205	INTERIM CFO 35.00	56,787.	0.	0.
ANGIE BRUMMIT 1219 S.W. PARK AVENUE PORTLAND, OR 97205	CFO 35.00	50,391.	896.	0.
JUDITH POE 1219 S.W. PARK AVENUE PORTLAND, OR 97205	CFO 35.00	83,992.	5,884.	0.
HELENA LANKTON 1219 S.W. PARK AVENUE PORTLAND, OR 97205	CHAIR 1.00	0.	0.	0.
ANN PAYNE EDLEN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	VICE-CHAIR 1.00	0.	0.	0.
GORDON SONDLAND 1219 S.W. PARK AVENUE PORTLAND, OR 97205	VICE-CHAIR 1.00	0.	0.	0.
JAMES WINKLER 1219 S.W. PARK AVENUE PORTLAND, OR 97205	VICE-CHAIR 1.00	0.	0.	0.
PATRICIA GIANELLI 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TREASURER 1.00	0.	0.	0.
JANET GEARY 1219 S.W. PARK AVENUE PORTLAND, OR 97205	SECRETARY 1.00	0.	0.	0.
PETER BECHEN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.

CHITA BECKER 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MARIO BISIO 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MARTIN BRANTLEY 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
RICHARD LOUIS BROWN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MARY BETH BURPEE 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MARY CLARK 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
KRISTIN COLLINS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
FRED FIELDS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
PATRICK GREEN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
PETER HALL 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
LINDA HICKEY 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
ERIC HOFFMAN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
KAREN HOLCE 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.

THOMAS HOLCE 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
ALAN JOHNSON 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
FRED JUBITZ 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
JULIE JUNGERS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
SELBY KEY 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
THEODORE KULONGOSKI 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
JOANNE LILLEY 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
DAVID MARGULIS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MARY MARK 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
MELVIN MARK, JR. 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
LAURA MEIER 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
SARAH MILLER MEIGS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
BRIAN RICE 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.

RICHARD RUBINSTEIN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
JAMES RUDD 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
ARLENE SCHNITZER 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
HAROLD SCHNITZER 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
ERIC SMIDT 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
TROY ST. JOHN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
ANDREE STEVENS 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
JULIE STOTT 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
PETER STOTT 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
LAWRENCE VIEHL 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
DONALD VAN WART 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
WILLIAM WHITSELL 1219 S.W. PARK AVENUE PORTLAND, OR 97205	TRUSTEE 1.00	0.	0.	0.
STANLEY GEFFEN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	AT-LARGE MEMBER 1.00	0.	0.	0.

H.PAT RITZ 1219 S.W. PARK AVENUE PORTLAND, OR 97205	AT-LARGE MEMBER 1.00	0.	0.	0.
FRED STICKEL 1219 S.W. PARK AVENUE PORTLAND, OR 97205	AT-LARGE MEMBER 1.00	0.	0.	0.
ERNEST SWIGERT 1219 S.W. PARK AVENUE PORTLAND, OR 97205	AT-LARGE MEMBER 1.00	0.	0.	0.
NANI WARREN 1219 S.W. PARK AVENUE PORTLAND, OR 97205	AT-LARGE MEMBER 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>486,194.</u>	<u>21,155.</u>	<u>0.</u>

FORM 990

EXPLANATION OF RELATIONSHIP  
PART V-A, LINE 75B

STATEMENT 18

INDIVIDUAL'S NAME

TITLE OR ROLE

THOMAS HOLCE

TRUSTEE

INDIVIDUAL'S NAME

TITLE OR ROLE

KAREN HOLCE

TRUSTEE

EXPLANATION OF RELATIONSHIP

DAUGHTER IN-LAW

INDIVIDUAL'S NAME

TITLE OR ROLE

MARY MARK

TRUSTEE

INDIVIDUAL'S NAME

TITLE OR ROLE

MELVIN MARK

TRUSTEE

EXPLANATION OF RELATIONSHIP

SPOUSE

INDIVIDUAL'S NAME

TITLE OR ROLE

ARLENE SCHNITZER

TRUSTEE

INDIVIDUAL'S NAME

TITLE OR ROLE

HARLOD SCHNITZER

TRUSTEE

EXPLANATION OF RELATIONSHIP

SPOUSE

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INDIVIDUAL'S NAME

TITLE OR ROLE

JULIE STOTT

TRUSTEE

INDIVIDUAL'S NAME

TITLE OR ROLE

PETER STOTT

TRUSTEE

EXPLANATION OF RELATIONSHIP

SPOUSE

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PERSON'S NAME

JOHN AND LUCY BUCHANAN

COMPENSATION EXPLANATION

TO PROVIDE SUPPLEMENTAL RETIREMENT INCOME FOR TWO FORMER KEY SENIOR EXECUTIVES, THE MUSEUM ESTABLISHED A NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT IN 1997. THE TWO EXECUTIVES ENDED THEIR EMPLOYMENT WITH THE MUSEUM DURING THE YEAR ENDED JUNE 30, 2006. DURING THE YEAR ENDED JUNE 30, 2008, THE TERMS OF THE DEFERRED COMPENSATION PLAN WERE AMENDED TO PERMIT AN ELECTION BY THE EXECUTIVES TO RECEIVE PAYMENT IN FULL. THIS ELECTION WAS EXERCISED, AND ACCORDINGLY, THE ACCRUED DEFERRED COMPENSATION AMOUNT WAS PAID IN FULL.

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	ADMISSION FEES - DAILY FEE CHARGED TO THE PUBLIC FOR MUSEUM AND NORTHWEST FILM CENTER EXHIBITIONS.
93B	TUITION AND LAB FEES RELATED TO PROVIDING EDUCATION ON FILM RELATED TOPICS.
93C	PROCEEDS GENERATED FROM THE RENTAL AND SALE OF THE WORK OF LOCAL ARTISTS TO INDIVIDUALS AND CORPORATIONS TO INCREASE ART AWARENESS AND APPRECIATION.
93E	MISCELLANEOUS REVENUES GENERATED BY VARIOUS ACTIVITIES RELATED TO THE MUSEUM'S MISSION, SUCH AS EXHIBITION RENTAL FEES, AND EDUCATIONAL PROGRAM RELATED FEES.
94	MEMBERSHIP DUES - PORTION OF THE ANNUAL MEMBERSHIP FEES PAID IN RETURN FOR VARIOUS ART RELATED BENEFITS.
98	RENTAL OF FILM EQUIPMENT TO SUPPORT FILM MAKING.



102 SALE OF ART RELATED ITEMS TO MEMBERS AND NON-MEMBER VISITORS.  
 103A MISCELLANEOUS REVENUES GENERATED DURING THE NORMAL COURSE OF BUSINESS.

SCHEDULE A	OTHER INCOME			STATEMENT 21
DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
OTHER INCOME	35,893.	27,882.	30,399.	26,551.
TOTAL TO SCHEDULE A, LINE 22	35,893.	27,882.	30,399.	26,551.