

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

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

For calendar year 2007, or tax year beginning **2007**, and ending **2007**, and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: **WALTER AND ELISE HAAS FUND**

Number and street (or P.O. box number if mail is not delivered to street address): **ONE LOMBARD STREET, SUITE 305**

City or town, state, and ZIP code: **SAN FRANCISCO, CA 94111**

Room/suite: _____

A Employer identification number: **94-6068564**

B Telephone number (see page 10 of the instructions): **(415) 398-4474**

H Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ **277,660,108.**

J Accounting method: Cash Accrual Other (specify) _____
 (Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here

D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

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)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	129,196.	129,196.	NONE	STMT 1
	4 Dividends and interest from securities	2,853,780.	2,853,780.	NONE	STMT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	28,571,597.			
	b Gross sales price for all assets on line 6a 33,391,827.				
	7 Capital gain net income (from Part IV, line 2)		28,571,597.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	3,084,833.	5,621,484.	NONE	STMT 3	
12 Total. Add lines 1 through 11	34,639,406.	37,176,057.	NONE		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	288,688.	NONE	NONE	288,688.
	14 Other employee salaries and wages	624,192.	NONE	NONE	624,192.
	15 Pension plans, employee benefits	368,288.	NONE	NONE	368,288.
	16a Legal fees (attach schedule) STMT 4	4,778.	2,389.	NONE	2,389.
	b Accounting fees (attach schedule) STMT 5	176,043.	88,022.	NONE	88,022.
	c Other professional fees (attach schedule) STMT 6	1,241,105.	1,241,105.	NONE	NONE
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) *	1,178,508.	NONE	NONE	300.
	19 Depreciation (attach schedule) and depletion	61,040.	NONE	NONE	
	20 Occupancy	174,815.	NONE	NONE	174,815.
	21 Travel, conferences, and meetings	32,421.	NONE	NONE	32,421.
	22 Printing and publications	16,141.	NONE	NONE	16,141.
	23 Other expenses (attach schedule) STMT 9	293,677.	NONE	NONE	293,677.
	24 Total operating and administrative expenses. Add lines 13 through 23	4,459,696.	1,331,516.	NONE	1,888,933.
	25 Contributions, gifts, grants paid . STMT 10	12,164,698.			11,444,548.
26 Total expenses and disbursements. Add lines 24 and 25	16,624,394.	1,331,516.	NONE	13,333,481.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	18,015,012.				
b Net investment income (if negative, enter -0-)		35,844,541.			
c Adjusted net income (if negative, enter -0-)			NONE		

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	250.	500.	500.
	2 Savings and temporary cash investments	2,793,186.	7,638,900.	7,638,900.
	3 Accounts receivable ▶ 16,854,683.			
	Less: allowance for doubtful accounts ▶	7,507,073.	16,854,683.	16,854,683.
	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 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ *		445,333.	STMT 12
	Less: allowance for doubtful accounts ▶	420,284.	445,333.	445,333.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges STMT 13	NONE	3,108.	3,108.
	10 a Investments - U.S. and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)			
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment: basis ▶ 791.			
Less: accumulated depreciation (attach schedule) ▶	NONE	791.	791.	
12 Investments - mortgage loans				
13 Investments - other (attach schedule) STMT 14	247,115,784.	252,301,122.	252,301,122.	
14 Land, buildings, and equipment: basis ▶ 549,310.			STMT 20	
Less: accumulated depreciation (attach schedule) ▶	428,460.	391,302.	391,302.	
15 Other assets (describe ▶ STMT 21)	23,397.	24,369.	24,369.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	258,289,225.	277,660,108.	277,660,108.	
Liabilities	17 Accounts payable and accrued expenses	199,158.	550,914.	
	18 Grants payable	1,884,850.	2,605,000.	
	19 Deferred revenue	145,279.	2,480.	STMT 22
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ STMT 23)	484,317.	911,081.	
	23 Total liabilities (add lines 17 through 22)	2,713,604.	4,069,475.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	255,575,621.	273,590,633.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.			
	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)	255,575,621.	273,590,633.	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	258,289,225.	277,660,108.		

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	255,575,621.
2 Enter amount from Part I, line 27a	2	18,015,012.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 24	3	NONE
4 Add lines 1, 2, and 3	4	273,590,633.
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	273,590,633.

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 SEE PART IV SCHEDULE						
b AT END OF TAX RETURN						
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				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any				
a						
b						
c						
d						
e						
2 Capital gain net income or (net capital loss)				2	28,571,597.	
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.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2006	11,901,486.	237,671,387.	0.050075
2005	13,512,404.	228,335,439.	0.059178
2004	12,392,935.	193,834,488.	0.063936
2003	11,105,608.	186,959,731.	0.059401
2002	12,793,326.	194,130,055.	0.065901
2 Total of line 1, column (d)			0.298491
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			0.059698
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5			256,815,297.
5 Multiply line 4 by line 3			15,331,360.
6 Enter 1% of net investment income (1% of Part I, line 27b)			358,445.
7 Add lines 5 and 6			15,689,805.
8 Enter qualifying distributions from Part XII, line 4			13,333,481.

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.

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

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits and payments. Total tax due is 5,240.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, expenditures, and state reporting. Includes Yes/No columns.

Part VII-A Statements Regarding Activities (continued)

11a	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)	11a		X
b	If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?	11b	N/A	
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ WWW.HAASSR.ORG				
14	The books are in care of ▶ ARGONAUT SECURITIES COMPANY Telephone no. ▶ 415-501-4885			
Located at ▶ 1155 BATTERY ST, LS7W SAN FRANCISCO, CA ZIP + 4 ▶ 94111				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-F in lieu of Form 1041 - Check here N/A			
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15				

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? <u>51M.T.32</u> <input checked="" type="checkbox"/> Yes <input 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>			
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 2007?	1c	X
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 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ▶ _____			
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	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____		
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 checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2007 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 2007.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
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 2007?	4b	X

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

- 5a During the year did the foundation pay or incur any amount to:
- (1) Carry on propoganda, 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** N/A

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No **N/A**

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No **6b** X

If you answered "Yes" to 6a, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **7b** N/A

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 23 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
SEE STATEMENT 25		288,688.	32,625.	NONE

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
SEE STATEMENT 27		514,211.	155,519.	NONE

Total number of other employees paid over \$50,000 **3**

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
SEE STATEMENT 28		822,912.
Total number of others receiving over \$50,000 for professional services		4

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 <u>HOSTING MEETINGS OF NONPROFIT LEADERS AND GRANTMAKERS; SERVICE OF FOUNDATION STAFF ON NONPROFIT BOARDS AND ADVISORY COUNCILS; TECHNICAL ASSISTANCE TO ENCOURAGE PHILANTHROPY.</u>	19,538.
2 <u>OTHER ACTIVITIES OF FOUNDATION LIMITED SOLELY TO GRANT MAKING.</u>	
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 <u>NONE</u>	
2	
All other program-related investments. See page 24 of the instructions.	
3 <u>NONE</u>	
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	95,357,674.
b	Average of monthly cash balances	1b	4,155,308.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	161,213,208.
d	Total (add lines 1a, b, and c)	1d	260,726,190.
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	NONE
3	Subtract line 2 from line 1d	3	260,726,190.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	3,910,893.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	256,815,297.
6	Minimum investment return. Enter 5% of line 5	6	12,840,765.

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	12,840,765.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	716,891.
b	Income tax for 2007. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	716,891.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	12,123,874.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	12,123,874.
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	12,123,874.

Part XII Qualifying Distributions (see page 26 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	13,333,481.
b	Program-related investments - total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	13,333,481.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	13,333,481.

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 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				12,123,874.
2 Undistributed income, if any, as of the end of 2006:				
a Enter amount for 2006 only				
b Total for prior years:				
3 Excess distributions carryover, if any, to 2007:				
a From 2002	4,945,993.			
b From 2003	10,234,501.			
c From 2004	5,142,509.			
d From 2005	2,912,487.			
e From 2006	2,218,324.			
f Total of lines 3a through e	25,453,814.			
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$	13,333,481.			
a Applied to 2006, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 27 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 27 of the instructions)	SEE ELECTION STATEMENT 1,209,607.			
d Applied to 2007 distributable amount				12,123,874.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2007 (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	26,663,421.			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions				
e Undistributed income for 2006. Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions				
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				
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)				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)	NONE			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	26,663,421.			
10 Analysis of line 9:				
a Excess from 2003	10,234,501.			
b Excess from 2004	5,142,509.			
c Excess from 2005	2,912,487.			
d Excess from 2006	2,218,324.			
e Excess from 2007	6,155,600.			

FEDERAL ELECTIONS

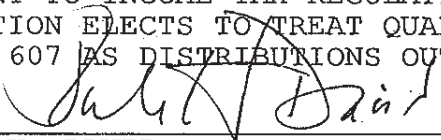
DESCRIPTION: DISTRIBUTIONS OUT OF CORPUS

FORM & LINE/INSTRUCTION REFERENCE: FORM 990-PF, PART XIII, LINE 4C, COL (A)

REGULATION REFERENCE: 53.4942(A)-3(D)(2)

ELECTION

PURSUANT TO INCOME TAX REGULATION SECTION 53.4942(A)-3(D)(2), THE FOUNDATION ELECTS TO TREAT QUALIFYING DISTRIBUTIONS FOR 2007 OF \$1,209,607 AS DISTRIBUTIONS OUT OF CORPUS.



PAMELA H. DAVID
SIGNATURE OF EXECUTIVE DIRECTOR

ELECTION
STATEMENT

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
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).)
 NONE

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:
 SEE STATEMENT 29

b The form in which applications should be submitted and information and materials they should include:
 SEE STATEMENT 39 (SAMPLE FORM)

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:
 SEE STATEMENT 39 (SAMPLE FORM)

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
<p>a Paid during the year OTHER GRANTMAKING INTERESTS SEE STATEMENT 34</p>				11,444,548.
Total				▶ 3a 11,444,548.
<p>b Approved for future payment SEE STATEMENT 30</p>				
Total				▶ 3b 720,150.