Form **990-PF**

Department of the Treasury
Internal Revenue Service

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.*

OMB No 1545-0052

2006

For calendar year 2006, or tax year beginning , **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 PACIFIC FOREST & WATERSHED LANDS STEWARDSHIP COUNCIL		A Employer identification number 20-1358125
	Number and street (or P O box number if mail is not delivered to street address) 303 VINTAGE PARK DRIVE	Room/suite 150	B Telephone number (650) 286-5150
	City or town, state, and ZIP code FOSTER CITY, CA 94404		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 ▶ [ ]

H Check type of organization [X] 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)* ▶$ 85,004,470.

J Accounting method [ ] Cash [X] Accrual
[ ] 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 ▶ [ ]

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))

			(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	2,725,081.		N/A	
	2	Check ▶ [ ] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	1,211,575.	1,211,575.		STATEMENT 2
	4	Dividends and interest from securities				
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-495.			STATEMENT 1
	b	Gross sales price for all assets on line 6a 108,650,423.				
	7	Capital gain net income (from Part IV, line 2)		0.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total.** Add lines 1 through 11	3,936,161.	1,211,575.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	164,181.	6,493.		163,868.
	14	Other employee salaries and wages	651,602.	6,314.		576,624.
	15	Pension plans, employee benefits	19,222.	0.		19,222.
	16a	Legal fees STMT 3	345,084.	0.		352,995.
	b	Accounting fees STMT 4	48,275.	4,996.		33,054.
	c	Other professional fees STMT 5	2,144,022.	49,457.		2,080,689.
	17	Interest				
	18	Taxes STMT 6	3,892.	0.		-138.
	19	Depreciation and depletion	30,768.	0.		
	20	Occupancy	45,137.	0.		45,137.
	21	Travel, conferences, and meetings	79,656.	0.		85,185.
	22	Printing and publications				
	23	Other expenses STMT 7	138,155.	0.		138,385.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	3,669,994.	67,260.		3,495,021.
	25	Contributions, gifts, grants paid	2,110,000.			1,560,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	5,779,994.	67,260.		5,055,021.
	27	Subtract line 26 from line 12				
	a	Excess of revenue over expenses and disbursements	-1,843,833.			
	b	**Net investment income** (if negative, enter -0-)		1,144,315.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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12100507 601856 46665-000 2006.05040 PACIFIC FOREST & WATERSHED 46665-01

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	359,460.	-129,914.	-129,914.
	2 Savings and temporary cash investments	492,573.	543,516.	543,516.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable	68,468,129.	61,193,210.	61,193,210.
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	63,145.	75,119.	75,119.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	16,545,945.	23,181,825.	23,181,825.
	14 Land, buildings, and equipment basis ▶ 146,086.			
	Less accumulated depreciation STMT 9 ▶ 52,967.	116,467.	93,119.	93,119.
	15 Other assets (describe ▶ ACCRUED INTEREST)	74,703.	47,595.	47,595.
	16 **Total assets** (to be completed by all filers)	86,120,422.	85,004,470.	85,004,470.
Liabilities	17 Accounts payable and accrued expenses	245,169.	334,941.	
	18 Grants payable		550,000.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	245,169.	884,941.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted	85,875,253.	84,119,529.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] 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**	85,875,253.	84,119,529.	
	31 **Total liabilities and net assets/fund balances**	86,120,422.	85,004,470.	

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	85,875,253.
2 Enter amount from Part I, line 27a	2	-1,843,833.
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED INVESTMENT GAINS	3	88,109.
4 Add lines 1, 2, and 3	4	84,119,529.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	84,119,529.

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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	INVESTMENTS	P	VARIOUS	VARIOUS
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	108,650,423.		108,650,918.	-495.
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
a				-495.
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 — -495.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c)
If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2005	2,693,562.	18,159,156.	.148331
2004	384,176.	9,787,335.	.039252
2003			
2002			
2001			

2	Total of line 1, column (d)	2	.187583
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	.093792
4	Enter the net value of noncharitable-use assets for 2006 from Part X, line 5	4	25,127,268.
5	Multiply line 4 by line 3	5	2,356,737.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	11,443.
7	Add lines 5 and 6	7	2,368,180.
8	Enter qualifying distributions from Part XII, line 4	8	5,055,021.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling letter ______ (attach copy of ruling letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b		1	11,443.
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	0.
3 Add lines 1 and 2		3	11,443.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	11,443.
6 Credits/Payments			
a 2006 estimated tax payments and 2005 overpayment credited to 2006	6a 5,440.		
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	5,440.
8 Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	6,003.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be: **Credited to 2007 estimated tax** ▶	**Refunded** ▶	11	

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
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.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
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? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
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?	6		X
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA			
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? If "No," attach explanation*	8b	X	
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 2006 or the taxable year beginning in 2006 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *Continued*

			Yes	No
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 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? N/A	11b		
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	

Web site address ▶ WWW.STEWARDSHIPCOUNCIL.ORG

14 The books are in care of ▶ THE FOUNDATION Telephone no ▶ (650) 286-5150

Located at ▶ 303 VINTAGE PARK DRIVE, FOSTER CITY, CA ZIP+4 ▶ 94404

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

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

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

				Yes	No
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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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)?	N/A	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 2006?		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 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006? If "Yes," list the years ▶ ____ , ____ , ____ , ____	☐ Yes ☒ No			
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 instructions)	N/A	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 ▶ ____ , ____ , ____ , ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2006 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 2006.)*	N/A	3b		
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 2006?		4b		X

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

5a During the year did the foundation pay or incur any amount to				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	**5b**		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ 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**		X
If you answered "Yes" to 6b, also file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	**7b**		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation (If not paid, enter -0-)	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
SEE STATEMENT 10		164,181.	16,383.	0.

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

(a) Name and address of each employee paid more than $50,000	**(b)** Title and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
STEVE HAGLER	YOUTH PROGRAM MANAGER			
303 VINTAGE PARK DRIVE, SUITE 150, FO	40.00	91,996.	8,207.	
ELISE HOLLAND	LAND CONSRVTION PRGM MGR			
303 VINTAGE PARK DRIVE, SUITE 150, FO	32.00	89,114.	3,620.	
JOEL WAGNER	FINANCE MANAGER			
303 VINTAGE PARK DRIVE, SUITE 150, FO	40.00	77,581.	10,452.	
LAUREN KELLY	EXECUTIVE LIAISON			
303 VINTAGE PARK DRIVE, SUITE 150, FO	40.00	70,104.	8,432.	
RAQUEL GIAMPOLO	ADMINISTRATIVE ASSISTANT			
303 VINTAGE PARK DRIVE, SUITE 150, FO	40.00	48,450.	8,795.	
Total number of other employees paid over $50,000				0

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
EDAW 150 CHESTNUT ST, SAN FRANCISCO, CA 94111	LAND PLANNING CONSULTATION	1517969.
MORRISON AND FOERSTER LLP 425 MARKET STREET, SAN FRANCISCO, CA 94105	LEGAL	346,057.
LANDIS COMMUNICATIONS, INC 1388 SUTTER ST, #901, SAN FRANCISCO, CA 94109	PUBLIC RELATIONS AND COMMUNICATIONS	119,481.
LA PIANA ASSOCIATES, INC 6400 HOLLIS ST, STE 5, EMERYVILLE, CA 94608	STRATEGIC PLANNING	71,496.
AMERICAN INSTITUTES FOR RESEARCH 1070 ARASTRADERO RD, #200, PALO ALTO, CA 94304	RESEARCH AND PROGRAM EVALUATION	64,447.
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 TO ENSURE THAT OVER 140,000 ACRES OF WATERSHED LANDS THROUGHOUT CALIFORNIA ARE CONSERVED FOR A BROAD RANGE OF BENEFICIAL PUBLIC VALUES.	2,915,713.
2 TO IMPROVE THE LIVES OF YOUNG CALIFORNIANS THROUGH CONNECTION WITH THE OUTDOORS.	2,864,283.
3	
4	

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

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

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes:		
a	Average monthly fair market value of securities	1a	24,748,091.
b	Average of monthly cash balances	1b	761,826.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	25,509,917.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	25,509,917.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	382,649.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	25,127,268.
6	**Minimum investment return.** Enter 5% of line 5	6	1,256,363.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	1,256,363.
2a	Tax on investment income for 2006 from Part VI, line 5 — 2a: 11,443.		
b	Income tax for 2006 (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	11,443.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,244,920.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,244,920.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,244,920.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes:		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	5,055,021.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	5,055,021.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	11,443.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,043,578.

Note: *The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.*

Part XIII **Undistributed Income** (see instructions)

		(a) Corpus	(b) Years prior to 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7					1,244,920.
2 Undistributed income, if any, as of the end of 2005					
a Enter amount for 2005 only				0.	
b Total for prior years ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2006					
a From 2001					
b From 2002					
c From 2003					
d From 2004	15,264.				
e From 2005	1,796,476.				
f **Total** of lines 3a through e		1,811,740.			
4 Qualifying distributions for 2006 from Part XII, line 4 ▶ $ 5,055,021.					
a Applied to 2005, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.			
d Applied to 2006 distributable amount					1,244,920.
e Remaining amount distributed out of corpus		3,810,101.			
5 Excess distributions carryover applied to 2006 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		5,621,841.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b Taxable amount - see instructions			0.		
e Undistributed income for 2005 Subtract line 4a from line 2a Taxable amount - see instr				0.	
f Undistributed income for 2006 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2007					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2001 not applied on line 5 or line 7		0.			
9 **Excess distributions carryover to 2007.** Subtract lines 7 and 8 from line 6a		5,621,841.			
10 Analysis of line 9					
a Excess from 2002					
b Excess from 2003					
c Excess from 2004	15,264.				
d Excess from 2005	1,796,476.				
e Excess from 2006	3,810,101.				

[redacted]

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2006, 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			
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
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))

PACIFIC GAS AND ELECTRIC COMPANY

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 ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part 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
a Paid during the year				
SEE ATTACHED SCHEDULE				1,560,000.
Total			▶ 3a	1,560,000.
b Approved for future payment				
SEE ATTACHED SCHEDULE				550,000.
Total			▶ 3b	550,000.

[redacted]

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	1,211,575.	
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			18	-495.	
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)		0.		1,211,080.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 1,211,080.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

623621
01-29-07

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

			Yes	No
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?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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
N/A		

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: [signature] Date: 15/9/07 Title: Executive Dir.

Paid Preparer's Use Only

Preparer's signature	[signature] C.P.A.	Date 5/8/07	Check if self-employed ☐	Preparer's SSN or PTIN P00351215
Firm's name (or yours if self-employed), address, and ZIP code	LAUTZE & LAUTZE 303 SECOND STREET SUITE 950N SAN FRANCISCO, CA 94107		EIN ▶ 94-2513310	Phone no (415)543-6900

Form **990-PF** (2006)

623622
01-29-07

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2006

Name of organization	**Employer identification number**
PACIFIC FOREST & WATERSHED LANDS STEWARDSHIP COUNCIL	20-1358125

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** **(Note:** *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)*

General Rule-

☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) ▶ $ ____________

Caution: *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they* **must** *check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.**

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

623451 03-19-07

Name of organization
PACIFIC FOREST & WATERSHED LANDS STEWARDSHIP COUNCIL

Employer identification number
20-1358125

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	PACIFIC GAS AND ELECTRIC PO BOX 770000 SAN FRANCISCO, CA 94177	$ 10,000,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Asset Number	Description of property / Date placed in service	Method/ IRC sec	Life or rate	Line No	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	OFFICE EQUIPMENT							
	VARIES	SL	.000	16	71,331.		10,441.	14,252.
2	FURNITURE AND FIXTURES							
	VARIES	SL	.000	16	42,644.		3,730.	5,812.
3	LEASEHOLD IMPROVEMENTS							
	VARIES	SL	.000	16	32,111.		8,028.	10,704.
	* TOTAL 990-PF PG 1 DEPR							
					146,086.	0.	22,199.	30,768.

616261
05-01-06

- Current year section 179 (D) - Asset disposed

Pacific Forest Watershed Lands Stewardship Council
December 31, 2006
20-1358125

Organization Name	Address	City	State	Zip	Foundation Status	Purpose of Grant	Amount
Adopt A Watershed	1009 General Kennedy Avenue, #2	San Francisco	CA	94129-1726	Public Charity	$62,000 to provide environmental education and place-based training to educators and leaders from outdoor education programs	31,000
Aim High for High School	755 Ocean Avenue	San Francisco	CA	94112-1856	Public Charity	$33,000 grant to provide urban middle school-age youth with hands-on experiences that foster environmental awareness, personal growth and interpersonal understanding and to facilitate their transition to high school.	33,000
Ambrose Recreation and Park District	3105 Willow Pass Road	Bay Point	CA	94565	Public Agency	$45,000 grant to improve and maintain the Olympic size pool which provides recreation to the residents of the Bay Point community	45,000
Bear Mountain Recreation and Park District	Post Office Box 658	Lamont	CA	93241	Public Agency	$100,000 to build a new community pool in Lamont	50,000
Big Chico Creek Watershed Alliance	Post Office Box 461	Chico	CA	95927	Public Charity	$18,400 towards the Big Chico Creek Youth Stream Team which will help underserved youth develop an understanding of watershed ecology	18,400
Boys & Girls Clubs of Greater Sacramento	5212 Lemon Hill Avenue	Sacramento	CA	95824-1528	Public Charity	$10,000 towards the Health & Heritage Garden which will engage youth in gardening and science activities that are integrally connected to the diverse cultural backgrounds of their families and community	10,000
California State Parks Foundation	800 College Avenue	Kentfield	CA	94904-2501	Public Charity	$133,000 to expand its FamCamps and Youth Leadership Institutes into the communities of the East Bay and Stockton	80,000
California Waterfowl Association	4630 Northgate Boulevard, Suite 150	Sacramento	CA	95834-1141	Public Charity	$17,000 towards the Youth Leadership in Environmental Education program that brings high school and elementary students of diverse ethnic and economic backgrounds together to discover their roles as wetland stewards	17,000
Calvine High School	8333 Vintage Park Drive	Sacramento	CA	958286178	School District	$1,500 towards the Strawberry Creek Environmental Classroom where students engage in service learning at a local creek and apply their knowledge from field activities into cross curricular lessons in math, science, English, civics and economics.	1,500
Carquinez Regional Environmental Education Center	PO BOX 65	CROCKETT	CA	94525-0065	Public Charity	$17,000 - To support the Open Space Hike and Learning Project which will involve local youth in exploring, discovering, exercising, and learning in the open spaces surrounding their urban communities	17,000
Chinatown-Northbeach Youth Service and Coordinating Center	1237 Van Ness Avenue, Suite 200	San Francisco	CA	94109-5506	Public Charity	$42,500 grant to provide out-of-school sports opportunities for immigrant youth with the goal of providing leadership training and motivating them to become future leaders of tomorrow	42,500
City of Fresno Parks, Recreation and Community Services	2326 Fresno Street, Room 101	Fresno	CA	93721	Public Agency	$45,000 grant to buy a mobile recreation vehicle that will bring staff and programs to underused parks	45,000
Cottage Housing Inc /SKYLAB Youth Production Studio	5836 Dudley Boulevard	McClellan	CA	95652	Public Charity	$16,000 towards Project Full Circle which offers an environmental education program designed to help youth gain a better understanding of themselves, their environment and their impact on the environment	16,000

Pacific Forest Watershed Lands Stewardship Council
December 31, 2006
20-1358125

Organization Name	Address	City	State	Zip	Foundation Status	Purpose of Grant	Amount
Downtown High School Get Out and Learn	1016 A Shotwell Street	San Francisco	CA	94110	School District	$17,000 - To continue the wilderness expedition program, a cornerstone experience that teaches responsibility, perseverance and natural consequences to students	17,000
East Bay Asian Local Development Coprporation	310 8TH ST STE 200	OAKLAND	CA	94607-6527	School District	$175,000 to plant vegetation and install lighting in East Oakland's Lion Creek Crossings Park	160,000
East Bay Center for the Performing Arts	339 11th Street	Richmond	CA	94801-3105	Public Charity	$15,000 towards the Advancement Diploma Program's Urban Environment Project which conducts a hands-on exploration for youth, grades seven to eleven, of the city's urban environment and the concomitant health issues facing its population.	15,000
Environmental Traveling Companions	Fort Mason Center, Building C	San Francisco	CA	94123-1300	Public Charity	$40,000 grant to help disadvantaged and disabled teens develop skills in outdoor leadership, teamwork, interpersonal communication, job readiness and conservation education	40,000
Feather River Land Trust	Post Office Box 1826	Quincy	CA	95971-1826	Public Charity	$25,000 grant to preserve natural areas in close proximity to public middle and high schools within the Feather River Watershed for environmental education purposes	25,000
Fresh Lifelines for Youth, Inc	120 West Mission Street	San Jose	CA	95110	Public Charity	$45,000 grant to the organization's Leadership Program which empowers youth in the juvenile justice system to become socially responsible citizens	45,000
Girl Scouts of Monterey Bay	10550 Merritt Street	Castroville	CA	95012-3311	Public Charity	$16,000 - To support The Artemis Leadership Training Adventure (ALTA), a year-long leadership development program	16,000
Girls Club of the Mid Peninsula	PO BOX 50069	E PALO ALTO	CA	94303-0069	Public Charity	$7,500 – To support the In Contact With Nature Program which will bring after-school and summer enrichment programs to underserved San Mateo County *No website available	7,500
Golden Gate Audubon Society	2530 San Pablo Avenue, Suite G	Berkeley	CA	94702	Public Charity	6,000 towards the Eco-Oakland Program which is an environmental education program that introduces underserved East Oakland youth and their families to watershed protection, connects them with their local environment and engages them in restoring local habitats	6,000
Golden Gate National Parks Conservancy	201 FORT MASON	SAN FRANCISCO	CA	94123-1307	Public Charity	$15,000 - To support LINC (Linking Individuals with the Natural Community), an in-depth six-week natural resource based summer job program for high school students	15,000
Hanford Elementary School District Educational Foundation	1875 Fitzgerald Lane	Hanford	CA	93230-7906	Public Charity	$100,000 to create middle school curriculum and staff training programs for the proposed Burris Park Outdoor School	50,000
Hayes Valley Neighborhood PARKS Group	300 Page Street	San Francisco	CA	94102	Public Charity	$15,000 - To support teens and young adults to become environmental educators and stewards for the Koshland Park Community Learning Garden Program (KPCLG)	15,000
Healing Waters	167 Fell Street	San Francisco	CA	94102	Public Charity	$10,000 - To provide an opportunity for underserved HIV+ youth to discover and explore the outdoors	10,000

Pacific Forest Watershed Lands Stewardship Council
December 31, 2006
20-1358125

Organization Name	Address	City	State	Zip	Foundation Status	Purpose of Grant	Amount
Homeless Garden Project	Post Office Box 617	Santa Cruz	CA	95061	Public Charity	$19,000 towards Cultivating Community which provides middle and high school aged youth with opportunities to improve their knowledge of ecology, nutrition and civics through working on a community-oriented organic farm	19,000
Kern County Probation Department	14401 Sierra Way	Kernville	CA	93238	Public Agency	$13,000 – To support the Camp Owen Project, a residential institution for the rehabilitation of delinquent boys, a program that emphasizes work, discipline and outdoor education	13,000
Literacy for Environmental Justice	800 Innes Avenue, Apartment 11	San Francisco	CA	94124-2920	Public Charity	$45,000 grant to develop an environmental education and community center at Heron's Head Park in Bayview Hunters Point	45,000
Mendocino County Youth Project	776 South State Street, #107	Ukiah	CA	95482	Public Charity	$45,000 grant to develop programs for underserved youth that will focus on accessing and exploring the wilderness and parks of Mendocino County during the summer	45,000
Mendocino Latinos para la Comunidad	487 North State Street	Ukiah	CA	95482-4421	Public Charity	$17,000 towards Proyecto Afueras which is an outdoor education program for low income Latino youth in Mendocino County	17,000
Mission High School	3750 18th Street	San Francisco	CA	94114	School District	$15,000 - To help students become stewards for the environment by developing a hands-on appreciation and an understanding of nature	15,000
Muir Heritage Land Trust	Post Office Box 2452	Martinez	CA	94553-7452	Public Charity	$18,500 towards the partnership of the Alhambra Creek Restoration and Environmental Educational Collaborative and the Environmental Studies Academy for the purposes of providing at-risk youth in Martinez with access to service learning field trips, restoration projects and adventure and wilderness education opportunities	18,500
Native American Health Center Youth Services	3124 International Boulevard	Oakland	CA	94601	Public Charity	$42,500 grant to initiate a culturally relevant outdoor wilderness program for urban youth	42,500
North County Recreation and Park District	Post Office Box 652	Castroville	CA	95012	Public Agency	$50,000 grant to work with youth on creating more than three miles of nature trails with fitness and interpretive stations within the Moro Cojo Slough open space in North Monterey County	50,000
North Fork Mono Rancheria	Post Office Box 929	North Fork	CA	93643	Federally Recognized Tribe	$18,000 - To host a Culture Camp for Mono Youth, an outdoor education experience on Mono Aboriginal Lands led by elders and other cultural experts to educate youth on tribal traditions and customs	18,000
Oakland's Alternative School for Independent & Community Studies	285 17TH ST	OAKLAND	CA	94612-4123	Public Charity	$15,500 - To support outdoor-based leadership development, conservation, outdoor recreation and ecological discovery for 150 inner-city Oakland youth	15,500
Pala Middle School	149 North White Road	San Jose	CA	95127-1997	School District	$12,500 towards the Wilderness Club which conducts excursions for youth to explore wilderness areas, conduct project-based activities and engage in service-learning projects	12,500
Project Avary, Inc	1018 Grand Avenue	San Rafael	CA	94901-3417	Public Charity	$45,000 grant to implement a year-round environmental stewardship program for children with incarcerated parents	45,000

Pacific Forest Watershed Lands Stewardship Council
December 31, 2006
20-1358125

Organization Name	Address	City	State	Zip	Foundation Status	Purpose of Grant	Amount
San Francisco Parks Trust	314 Rutledge Street (Kids In Parks direct address)	San Francisco	CA	94110	Public Charity	100,000 to help create parks and open space out of undeveloped land in San Francisco neighborhoods	50,000
San Jose Conservation Corp	1534 Berger Drive	San Jose	CA	95112	Public Charity	$17,000 - To help fund outdoor service-learning projects that take place during the critical after-school hours	17,000
Seven Tepees Youth Program	1333 BALBOA ST STE 3	SAN FRANCISCO	CA	94118-3550	Public Charity	$18,000 - To support youth volunteering in urban parks doing environmental and beautification projects, while participating in an 8-week academic summer boot camp	18,000
Spanish-Speaking Unity Council of Alameda County	3411 East 12th Street	Oakland	CA	94601-3425	Public Charity	$45,000 grant to improve unsafe school playgrounds in the Fruitvale community	45,000
Stanislaus Community Foundation	1226 11th Street, Suite B	Modesto	CA	95354-0743	Public Charity	$37,000 grant to construct a basketball court at George A Rogers Neighborhood Park	37,000
The Friendship Club	138 New Mohawk Road	NEVADA CITY	CA	95959	Public Charity	$5,000 - To fund a project assistant for its program that teaches disadvantaged adolescent girls in Nevada City important life skills, and empowers them to complete their educations and live responsible lives	5,000
Trust for Public Land	116 New Montgomery Street	San Francisco	CA	94105-3603	Public Charity	$50,000 grant to help build and maintain Bertha Port Park which offers recreation opportunities to residents in West Oakland	50,000
UC Berkeley, Sagehen Creek Field Station	PO Box 939	Truckee	CA	96160	University	$65,000 to expand the Adventure Risk & Challenge program which provides leadership and literacy training through outdoor experiences for English language learners	32,500
Urban Sprouts	451 HAYES ST	SAN FRANCISCO	CA	94102-4360	Public Charity	$10,000 - To help provide ongoing outdoor learning experiences in the school garden for over 250 youth at three urban middle and high schools	10,000
US Forest Service, Central California Consortium	1600 Tollhouse Road	Clovis	CA	93611	Public Agency	$40,000 grant to implement a leadership, environmental restoration and educational program for underserved youth within Fresno County	40,000
West County Community Services	Post Office Box 325	Guerneville	CA	95446-0325	Public Charity	$18,600 towards Voices of the River which is an environmental education program that focuses on building positive relationships with the outdoors, watershed education, and environmental advocacy	18,600
YWCA - Monterey County	PO BOX 1246	SEASIDE	CA	93955-1246	Public Charity	$16,000 - To support the Pathways to Discovery Program, an outdoor educational experience for young people who actively utilize their counseling services, or are in the YWCA Safe House, Teen Support Groups, and Mentoring Program.	16,000
Youth Employment Partnership	2300 International Boulevard	Oakland	CA	94601-1019	Public Charity	$19,000 towards Team Oakland Restoration and Environmental Education which is an environmental clean-up and restoration project that provides at-risk youth with job training and education	19,000
Youth Enrichment Strategies	1577 Solano Avenue	Berkeley	CA	94707-2116	Public Charity	$18,000 towards Richmond Family Camps which conducts a program that builds family support for camps, along with camp scholarships, for low income urban youth	18,000
Total Paid During the Year							**1,560,000**

Pacific Forest Watershed Lands Stewardship Council
December 31, 2006
20-1358125

Organization Name	Address	City	State	Zip	Foundation Status	Purpose of Grant	Amount
City of Daly City	111 Lake Merced Blvd	Daly City	CA	94015	Public Agency	$150,000 to purchase alternatively fueled 8-passenger vans to transport youth to school programs and help youth access outdoor experiences	150,000
USDA Forest Service	159 Lawrence Street	Quincy	CA	95971	Public Agency	$18,500 towards the Mesa Project which works in tandem with the Plumas National Forest to engage youth with the outdoors	18,500
East Bay Asian Local Development Corporation	310 8TH ST STE 200	OAKLAND	CA	94607-6527	Public Charity	$175,000 to plant vegetation and install lighting in East Oakland's Lion Creek Crossings Park	15,000
Adopt A Watershed	1009 General Kennedy Avenue, #2	San Francisco	CA	94129-1726	Public Charity	$62,000 to provide environmental education and place-based training to educators and leaders from outdoor education programs	31,000
UC Berkeley, Sagehen Creek Field Station	PO Box 939	Truckee	CA	96160	University	$65,000 to expand the Adventure Risk & Challenge program which provides leadership and literacy training through outdoor experiences for English language learners	32,500
Bear Mountain Recreation and Park District	Post Office Box 658	Lamont	CA	93241	Public Charity	$100,000 to build a new community pool in Lamont	50,000
Hanford Elementary School District Educational Foundation	1875 Fitzgerald Lane	Hanford	CA	93230-7906	Public Charity	$100,000 to create middle school curriculum and staff training programs for the proposed Burns Park Outdoor School	50,000
Pajaro Valley Unified School District	294 Green Valley Road	Watsonville	CA	95076	School District	$100,000 to create the Pajaro Valley High School's environmental education initiative, ECO-Teach, and develop supporting partnerships for the program	100,000
San Francisco Parks Trust	314 Rutledge Street (Kids In Parks direct address)	San Francisco	CA	94110	Public Charity	100,000 to help create parks and open space out of undeveloped land in San Francisco neighborhoods	50,000
California State Parks Foundation	800 College Avenue	Kentfield	CA	94904-2501	Public Charity	$133,000 to expand its FamCamps and Youth Leadership Institutes into the communities of the East Bay and Stockton	53,000
Total Approved for Future Payment							**550,000**

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
INVESTMENTS	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
108,650,423.	108,650,918.	0.	0.	-495.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	-495.

FORM 990-PF	INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS	STATEMENT 2

SOURCE	AMOUNT
CHECKING ACCOUNT INTEREST	13,863.
WELLS CAPITAL MANAGEMENT	1,197,712.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,211,575.

FORM 990-PF	LEGAL FEES	STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	345,084.	0.		352,995.
TO FM 990-PF, PG 1, LN 16A	345,084.	0.		352,995.

[redacted]

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	48,275.	4,996.		33,054.
TO FORM 990-PF, PG 1, LN 16B	48,275.	4,996.		33,054.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL SERVICES	15,279.	0.		15,507.
GRAPHICS/MEDIA/PR SUPPORT	140,500.	0.		151,249.
YOUTH INVESTMENT EXPENSES	65,439.	0.		69,189.
LAND PLANNING	1,605,251.	0.		1,607,877.
STRATEGIC PLANNING	71,496.	0.		71,496.
YOUTH INITIATIVES	112,427.	0.		85,427.
TECHNOLOGY SUPPORT	37,241.	0.		35,071.
INVESTMENT MANAGEMENT FEES	49,457.	49,457.		0.
NEWSLETTER	46,932.	0.		44,873.
TO FORM 990-PF, PG 1, LN 16C	2,144,022.	49,457.		2,080,689.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAXES	3,892.	0.		-138.
TO FORM 990-PF, PG 1, LN 18	3,892.	0.		-138.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE	73,783.	0.		73,804.
OFFICE SUPPLIES & EXPENSES	64,372.	0.		64,581.
TO FORM 990-PF, PG 1, LN 23	138,155.	0.		138,385.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
COMMERCIAL PAPER	FMV	8,169,041.	8,169,041.
CORPORATE OBLIGATIONS	FMV	2,998,966.	2,998,966.
MUNICIPAL BONDS	FMV	0.	0.
ASSET BACKED SECURITIES	FMV	8,264,134.	8,264,134.
OTHER INVESTMENTS	FMV	3,749,684.	3,749,684.
TOTAL TO FORM 990-PF, PART II, LINE 13		23,181,825.	23,181,825.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE EQUIPMENT	71,331.	24,693.	46,638.
FURNITURE AND FIXTURES	42,644.	9,542.	33,102.
LEASEHOLD IMPROVEMENTS	32,111.	18,732.	13,379.
TOTAL TO FM 990-PF, PART II, LN 14	146,086.	52,967.	93,119.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
STEVE HALL 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
ROBERT W. FLOERKE 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
KAREN MILLS 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD VICE PRESIDENT 5.00	0.	0.	0.
MICHELE DIAS 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
RICHARD ROOS-COLLINS 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
STEVE LARSON 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
LUIS ARTEAGA 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD VICE PRESIDENT 5.00	0.	0.	0.
DAVID GLOVER 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
HANNAH-BETH JACKSON 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
MIKE CHRISMAN 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD PRESIDENT 5.00	0.	0.	0.
ROBERT KINOSIAN 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.

RANDY LIVINGSTON 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD SECRETARY 5.00	0.	0.	0.
ROBERT A. MEACHER 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
ART BAGGETT, JR. 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD TREASURER 5.00	0.	0.	0.
LARRY MYERS 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
DAVID SUTTON 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD VICE PRESIDENT 5.00	0.	0.	0.
CHRIS NOTA 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
PACIFIC GAS AND ELECTRIC COMPANY PO BOX 77000 SAN FRANCISCO, CA 94177	FOUNDATION MANAGER 5.00	0.	0.	0.
JAYNE E. BATTEY 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	EXECUTIVE DIRECTOR 40.00	164,181.	16,383.	0.
DUANE MARTI 303 VINTAGE PARK DRIVE, SUITE 150 FOSTER CITY, CA 94404	BOARD DIRECTOR 5.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		164,181.	16,383.	0.

Form **2220**

Department of the Treasury Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return. FORM 990-PF

OMB No 1545-0142

2006

Name PACIFIC FOREST & WATERSHED LANDS STEWARDSHIP COUNCIL

Employer identification number 20-1358125

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220

Part I Required Annual Payment

1 Total tax (see instructions)		1	11,443.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or of section 167(g) for depreciation under the income forecast method	2b		
c Credit for Federal tax paid on fuels (see instructions)	2c		
d **Total**. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1 If the result is less than $500, **do not** complete or file this form The corporation does not owe the penalty		3	11,443.
4 Enter the tax shown on the corporation's 2005 income tax return (see instructions) **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5**		4	5,436.
5 **Required annual payment.** Enter the **smaller** of line 3 or line 4 If the corporation is required to skip line 4, enter the amount from line 3		5	5,436.

Part II Reasons for Filing - Check the boxes below that apply If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions)

6 ☐ The corporation is using the adjusted seasonal installment method

7 ☐ The corporation is using the annualized income installment method

8 ☐ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 **Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (**Form 990-PF filers:** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	05/15/06	06/15/06	09/15/06	12/15/06
10 **Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38 If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter If none of these boxes are checked, enter 25% of line 5 above in each col. Special rules apply to corporations with assets of $1 billion or more (see instr)	10	1,359.	1,359.	1,359.	1,359.
11 Estimated tax paid or credited for each period (see instructions) For column (a) only, enter the amount from line 11 on line 15	11	2,720.		1,360.	1,360.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12		1,361.	2.	3.
13 Add lines 11 and 12	13		1,361.	1,362.	1,363.
14 Add amounts on lines 16 and 17 of the preceding column	14				
15 Subtract line 14 from line 13 If zero or less, enter -0-	15	2,720.	1,361.	1,362.	1,363.
16 If the amount on line 15 is zero, subtract line 13 from line 14 Otherwise, enter -0-	16		0.	0.	
17 **Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10 Then go to line 12 of the next column Otherwise, go to line 18	17				
18 **Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15 Then go to line 12 of the next column	18	1,361.	2.	3.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

JWA 612801 01-15-07 **For Paperwork Reduction Act Notice, see separate instructions.** Form **2220** (2006)

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2006 and before 7/1/2006	21				
22 Underpayment on line 17 x Number of days on line 21 / 365 x 7%	22	$	$	$	$
23 Number of days on line 20 after 6/30/2006 and before 4/1/2007	23				
24 Underpayment on line 17 x Number of days on line 23 / 365 x 8%	24	$	$	$	$
25 Number of days on line 20 after 3/31/2007 and before 7/1/2007	25				
26 Underpayment on line 17 x Number of days on line 25 / 365 X *%	26	$	$	$	$
27 Number of days on line 20 after 6/30/2007 and before 10/1/2007	27				
28 Underpayment on line 17 x Number of days on line 27 / 365 x *%	28	$	$	$	$
29 Number of days on line 20 after 9/30/2007 and before 1/1/2008	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30	$	$	$	$
31 Number of days on line 20 after 12/31/2007 and before 2/16/2008	31				
32 Underpayment on line 17 x Number of days on line 31 / 366 x *%	32	$	$	$	$
33 Add lines 22, 24, 26, 28, 30, and 32	33	$	$	$	$

34 Penalty. Add columns (a) through (d), of line 33 Enter the total here and on Form 1120; line 33, Form 1120-A, line 29, or the comparable line for other income tax returns 34 $ 0.

* **For underpayments paid after March 31, 2007:** For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin To obtain this information on the Internet, access the IRS website at **www.irs.gov.** You can also call 1-800-829-4933 to get interest rate information