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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
2009

For calendar year 2009, or tax year beginning 12-01-2009 , and ending 11-30-2010

G

Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE JOHN C & KARYL KAY HUGHES FOUNDATION		A Employer identification number 91-1286019	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 2323 EASTLAKE AVENUE EAST		B Telephone number (see page 10 of the instructions) (206) 329-4900	
	City or town, state, and ZIP code SEATTLE, WA 98102		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 ☐	

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) \$ 24,159,589

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

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 ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	433,968	433,968		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	0			
	b Gross sales price for all assets on line 6a _____ 3				
	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				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	262,756	262,756		
	12 Total. Add lines 1 through 11	696,724	696,724		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	4,125	2,062		2,062
	c Other professional fees (attach schedule)	83,895	83,895		0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	7,978	0		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	495	0		247
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	96,493	85,957		2,309
	25 Contributions, gifts, grants paid	2,421,500			2,421,500
	26 Total expenses and disbursements. Add lines 24 and 25	2,517,993	85,957		2,423,809
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-1,821,269			
	b Net investment income (if negative, enter -0-)		610,767		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	1,118,118	771,849	771,849
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ 4,340,960 Less allowance for doubtful accounts ▶ _____	4,340,960	4,340,960	4,340,960
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)	3,008,600	☒ 1,438,477	1,438,477
	b	Investments—corporate stock (attach schedule)	16,149,465	☒ 17,608,303	17,608,303
	c	Investments—corporate bonds (attach schedule).			
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	24,617,143	24,159,589	24,159,589	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	12,913,707	12,913,707	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	11,703,436	11,245,882	
	30	Total net assets or fund balances (see page 17 of the instructions)	24,617,143	24,159,589	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	24,617,143	24,159,589	

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 24,617,143
2	Enter amount from Part I, line 27a	2 -1,821,269
3	Other increases not included in line 2 (itemize) ▶ ☒ _____	3 1,363,715
4	Add lines 1, 2, and 3	4 24,159,589
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 24,159,589

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)
1 a	GAIN ON STOCK SALES		2010-01-01	2010-06-28
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 3		3	0
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			0
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	0
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))
2008	2,153,987	23,170,212	0 092964
2007	2,113,027	28,651,378	0 073750
2006	2,260,147	32,950,973	0 068591
2005	2,007,009	31,722,284	0 063268
2004	1,703,868	30,868,869	0 055197

2	Total of line 1, column (d).	2	0 353770
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	0 070754
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	24,746,486
5	Multiply line 4 by line 3.	5	1,750,913
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	6,108
7	Add lines 5 and 6.	7	1,757,021
8	Enter qualifying distributions from Part XII, line 4.	8	2,423,809

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

1a		Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	6,108
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	6,108
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	6,108
6		Credits/Payments			
a		2009 estimated tax payments and 2008 overpayment credited to 2009	6a	9,000	
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	9,000
8		Enter any penalty for underpayment of estimated tax Check here ☐ 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	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	2,892
11		Enter the amount of line 10 to be Credited to 2010 estimated tax ☒ 2,892	Refunded ☐	11	0

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			No
	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		No
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		No
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		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	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		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☒ WA			
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	Yes	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A

Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of CHRISTOPHER R HUGHES Telephone no (206) 329-4900 Located at 2323 EASTLAKE AVENUE EAST SEATTLE WA ZIP+4 98102			
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		

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 20 of the instructions)?. Organizations relying on a current notice regarding disaster assistance check here.	1b		No
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 2009?.	1c		No
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?. If "Yes," list the years 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. Yes No			
b	If "Yes," did it have excess business holdings in 2009 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 2009.).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2009?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No	
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions).	☐ Yes	☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No	
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	5b		
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	☐ Yes	☐ No	
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? <i>If "Yes" to 6b, file Form 8870.</i>	6b	No	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No	
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

Part VIII

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Christopher Hughes	TRUSTEE	0	0	0
2323 EASTLAKE AVENUE EAST SEATTLE, WA 98102	2 50			
2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
Total number of other employees paid over \$50,000.				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 (see page 23 of the instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services.		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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 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	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	0

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	19,453,896
b	Average of monthly cash balances.	1b	1,328,480
c	Fair market value of all other assets (see page 24 of the instructions).	1c	4,340,960
d	Total (add lines 1a, b, and c).	1d	25,123,336
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	25,123,336
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	376,850
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	24,746,486
6	Minimum investment return. Enter 5% of line 5.	6	1,237,324

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	1,237,324
2a	Tax on investment income for 2009 from Part VI, line 5.	2a	6,108
b	Income tax for 2009 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	6,108
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	1,231,216
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	1,231,216
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	1,231,216

Part XII

Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	2,423,809
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	2,423,809
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions).	5	6,108
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	2,417,701
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 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				1,231,216
2	Undistributed income, if any, as of the end of 2008				
a	Enter amount for 2008 only.			0	
b	Total for prior years 20____, 20____, 20____		0		
3	Excess distributions carryover, if any, to 2009				
a	From 2004.				185,764
b	From 2005.				439,233
c	From 2006.				641,456
d	From 2007.				698,966
e	From 2008.				1,013,466
f	Total of lines 3a through e.	2,978,885			
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 2,423,809				
a	Applied to 2008, but not more than line 2a			0	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .	0			
d	Applied to 2009 distributable amount.				1,231,216
e	Remaining amount distributed out of corpus	1,192,593			
5	Excess distributions carryover applied to 2009 (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	4,171,478			
b	Prior years' undistributed income Subtract line 4b from line 2b.		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d	Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .		0		
e	Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).	0			
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions).	185,764			
9	Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	3,985,714			
10	Analysis of line 9				
a	Excess from 2005. . . .				439,233
b	Excess from 2006. . . .				641,456
c	Excess from 2007. . . .				698,966
d	Excess from 2008. . . .				1,013,466
e	Excess from 2009. . . .				1,192,593

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

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 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))

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

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

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			▶ 3a	2,421,500
b Approved for future payment				
Total			▶ 3b	0

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
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					
4 Dividends and interest from securities. . . .			14	433,968	
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.			14	262,756	
8 Gain or (loss) from sales of assets other than inventory			18		
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		696,724	0
13 Total. Add line 12, columns (b), (d), and (e). 13				696,724	696,724

[illegible]

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

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

[illegible]

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

b If "Yes," complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship

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.			
*****	2011-04-08	*****	
Signature of officer or trustee	Date	Title	

Paid Preparer's Use Only	Preparer's Signature Ronald W Benoit	Date	Check if self-employed ☒	Preparer's identifying number (see Signature on page 30 of the instructions)
	Firm's name (or yours if self-employed), address, and ZIP code	Moss Adams LLP 999 Third Avenue Suite 2800 Seattle, WA 98104		EIN 13-0000000
			Phone no (206) 302-6500	

Additional Data

Software ID: 09000028
Software Version: 2009.05070
EIN: 91-1286019
Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
12TH CHURCH of CHRIST SCIENTIST1700 28th Avenue W Seattle, WA 981994207	NONE	170(b)(1)(A) (i)	General support and Taxi Fund	83,000
1ST CHURCH of CHRIST SCIENTIST 175 Huntington Ave Boston, MA 021153187	NONE	170(b)(1)(A) (i)	mother Church endowment fund and general support	120,000
ALLIANCE FOR EDUCATION509 Olive Way Seattle, WA 981012556	NONE	509(a)(1)	GENERAL SUPPORT	20,000
CARTER CENTEROne Copenhill 453 Freedom parkway Atlanta, GA 303071406	NONE	509(a)(1)	Various program support	100,000
CHURCH COUNCIL OF Greater SEATTLE4 Nickerson St Suite 300 Seattle, WA 98109	NONE	170(b)(1)(A) (i)	GENERAL SUPPORT	225,000
FRED HUTCHINSON CANCER RESEARCH CENTERPO Box 19024 Seattle, WA 981091024	NONE	170(b)(1)(A) (iii)	GENERAL SUPPORT	200,000
HABITAT FOR HUMANITY15439 53rd Ave S Ste B Tukwila, WA 98188	NONE	509(a)(1)	Family Resource Program	90,000
HABITAT FOR HUMANITY INTERNATIONAL121 Habitat St Americus, GA 317093498	NONE	509(a)(1)	GENERAL SUPPORT	20,000
KCTS Television401 Mercer St Seattle, WA 981099904	nONE	509(a)(1)	Specific programming	35,000
Mayo Clinic FOUNDATION - Arizona 13400 E Shea Blvd Scottsdale, AZ 85259	NONE	170(b)(1)(A) (iii)	Cancer Research	100,000
MILLIONAIR CLUB CHARITY2515 Western Ave Seattle, WA 981211387	NONE	509(a)(1)	GENERAL SUPPORT	20,000
NOAH CENTER31300 Brandstrom Rd Stanwood, WA 982921603	NONE	509(a)(2)	Low cost spay/neuter program	152,500
ROAR of Washington717 n 36th st Seattle, WA 98103	NONE	509(a)(1)	GENERAL SUPPORT	10,000
SALVATION ARMYPO Box 9219 Seattle, WA 98109	NONE	509(a)(1)	White Center Community Center	50,000
SAN JUAN ISLAND EMT ASSNPO Box 1243 Friday Harbor, WA 98250	NONE	509(a)(1)	GENERAL SUPPORT	2,000
Total ▶ 3a				2,421,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Seattle Aquarium Society1415 Western Ave Ste 505 Seattle, WA 981012051	nONE	509(a)(1)	GenERAL SUPPORT	50,000
SEATTLE FIRST BAPTIST CHURCH 1111 Harvard Ave Seattle, WA 981224261	NONE	170(b)(1)(A)(i)	GENERAL SUPPORT	300,000
SEATTLE PUBLIC LIBRARY FOUNDATION1000 Fourth Ave Seattle, WA 98104	NONE	509(a)(3) Type I	GENERAL SUPPORT	25,000
SEATTLE YACHT CLUB FOUNDATION1807 E Hamlin St Seattle, WA 981222005	NONE	509(a)(1)	GENERAL SUPPORT	3,000
Seeds of Peace370 Lexington Ave 401 New York, NY 10017	nONE	509(a)(1)	Int'l Camp in Maine Scholarships	30,000
SWEDISH MEDICAL CENTER FOUNDATION747 broadway seattle, WA 98122	none	509(a)(3) Type I	genERAL SUPPORT	100,000
Treehouse2100 24th Avenue S 200 Seattle, WA 98144	nONE	509(a)(1)	general SUPPORT	15,000
UNION GOSPEL MISSIONPO Box 202 Seattle, WA 981110202	NONE	509(a)(1)	Support for Women & Children's shelter	100,000
UNITED WAY - SAN JUAN COUNTY PO Box 3181 Friday Harbor, WA 982503181	NONE	509(a)(1)	GENERAL SUPPORT	4,000
UNITED WAY of King County720 Second Ave Seattle, WA 98104	NONE	509(a)(1)	UWKC gates Challenge	140,000
United Way of King County720 Second Ave seattle, WA 98104	nONE	509(a)(1)	Gates Challenge	300,000
WOODLAND PARK ZOological Society601 N 59th St Seattle, WA 981035858	NONE	509(a)(1)	Zoo Corps and Geyer Trust Challenge	55,000
YOUTH CARE2500 NE 54th St 100 Seattle, WA 981053142	NONE	509(a)(1)	Orion Center support	20,000
YWCA of king county1118 Fifth Ave Seattle, WA 981013012	nONE	509(a)(2)	opportunity place support	25,000
AMERICAN CANCER SOCIETY2120 1ST AVENUE NORTH SEATTLE, WA 981092301	NONE	509(a)(1)	GENERAL SUPPORT	10,000
Total				2,421,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN FRIENDS OF WHISTLER 999 3RD AVE LOBBY LEVEL SEATTLE,WA 98104	NONE	509(a)(1)	GENERAL SUPPORT	10,000
KBTC TELEVISION2320 S 19TH ST TACOMA,WA 98405	NONE	509(a)(1)	GENERAL SUPPORT	5,000
NORTH HAWAII COMMUNITY HOSPITAL67-1125 MAMALAHOA HIGHWAY WAIMEA,HI 967438496	NONE	509(A)(3) Type I	GENERAL SUPPORT	2,000
Total  3a				2,421,500

TY 2009 Accounting Fees Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	4,125	2,062		2,062

TY 2009 Investments Corporate
Stock Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION
EIN: 91-1286019

Name of Stock	End of Year Book Value	End of Year Fair Market Value
DIAIMLER AG	122,195	122,195
AT&T CORPORATION	103,379	103,379
AGILENT TECHNOLOGIES	26,685	26,685
ALLSTATE CORP	431,760	431,760
AMERICAN INTL GROUP	18,705	18,705
AMGEN INC	105,380	105,380
BMC SOFTWARE	111,000	111,000
BAXTER INTL INC	1,047,224	1,047,224
Discover Financial Svs	155,380	155,380
BOEING INC	655,364	655,364
cvs CAREMARK corp	186,031	186,031
Hugoton Royalty Trust	8,142	8,142
CIMAREX ENERGY	53,882	53,882
CISCO SYSTEMS INC	76,640	76,640
CLOROX COMPANY	618,100	618,100
COMCAST CORP	43,717	43,717
CONOCOPHILLIPS	601,700	601,700
Bank of America Corp	5,979	5,979
DELL INC	111,048	111,048
DOMINION RESOURCES INC	1,910	1,910
EMC CORP	32,235	32,235
EDWARDS LIFESCIENCES CORP	458,813	458,813
EXXON MOBIL CORP	1,145,166	1,145,166
GENERAL ELECTRIC	374,475	374,475
INTEL CORP	780,693	780,693
INTL BUSINESS MACHINES CORP	282,920	282,920
JP MORGAN CHASE	74,800	74,800
JOHNSON & JOHNSON	123,100	123,100
LOCKHEED MARTIN CORP	272,160	272,160
LOWES COMPANIES INC	45,400	45,400

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MEDCO HEALTH SOLUTIONS INC	245,280	245,280
MICROSOFT CORP	757,710	757,710
MORGAN STANLEY	415,820	415,820
MOTOROLA INC	206,820	206,820
NOKIA CORP SPONSORED ADR	27,690	27,690
NORDSTROM INC	2,568,000	2,568,000
OWEN ILLINOIS INC	232,243	232,243
PFIZER INC	64,711	64,711
PIONEER NATURAL RESOURCES CO	507,257	507,257
TEXAS INSTRUMENTS INC	95,400	95,400
unITED parcel service	631,170	631,170
UNITED TECHNOLOGIES CORP	150,540	150,540
UNITEDHEALTH GROUP INC	146,080	146,080
WASHINGTON FEDERAL INC	104,468	104,468
WASHINGTON MUTUAL INC	546	546
WELLS FARGO & CO	1,645,117	1,645,117
Wellpoint Inc	167,220	167,220
XTO Energy Inc	0	0
PHH Corp	4,243	4,243
Avis Budget Group	5,316	5,316
Wyndham Worldwide Corp	23,000	23,000
Verigy	796	796
APPLE INC	622,300	622,300
CHEVERON CORP	404,850	404,850
CATERPILLAR INC	507,600	507,600
MOTORS LIQUIDATION CO	143	143

TY 2009 Investments Government Obligations Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

**US Government Securities - End of
Year Book Value:**

0

**US Government Securities - End of
Year Fair Market Value:**

0

**State & Local Government
Securities - End of Year Book
Value:**

1,438,477

**State & Local Government
Securities - End of Year Fair
Market Value:**

1,438,477

TY 2009 Other Expenses Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursement s for Charit able Purposes
O ffice Expense	495	0		247

TY 2009 Other Income Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Description	Revenue And Expenses Per Books	Net Invest ment Income	Adjusted Net Income
Interest on notes receivable	262,150	262,150	262,150
other miscellaneous income	606	606	606

TY 2009 Other Increases Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Description	Amount
Unrealized gain on investments	1,363,715

TY 2009 Other Professional Fees Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKERAGE MANAGEMENT FEES	83,895	83,895		0

TY 2009 Taxes Schedule

Name: THE JOHN C & KARYL KAY HUGHES FOUNDATION

EIN: 91-1286019

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
foreign tax	219	0		0
Federal excise tax	7,759	0		0