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

2010

Department of the Treasury
Internal Revenue Service

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

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

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

ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC
PO BOX 18969
SPOKANE, WA 99228-0969

A Employer identification number

26-4167211

B Telephone number (see the instructions)

509-466-3024

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, column (c), line 16) **J** Accounting method: Cash Accrual
 Other (specify) **Part I, column (d) must be on cash basis**

► \$ 709,549.

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 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 (att sch)	168,080.			
	2 Ck ► <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	6,437.	6,437.	6,437.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10.	199,859.			
	b Gross sales price for all assets on line 6a	523,077.			
	7 Capital gain net income (from Part IV, line 2)		199,859.		
	8 Net short-term capital gain			1,408.	
	9 Income modifications				
ADMINISTRATIVE EXPENSES	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	374,376.	206,296.	7,845.	6,000.
	13 Compensation of officers, directors, trustees, etc	6,000.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
OPERATING EXPENSES	c Other prof fees (attach sch)	See St 1	11,040.	5,299.	5,741.
	17 Interest		28.	15.	15.
	18 Taxes (attach schedule)(see instr)	See Stm 2			
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	See Statement 3	1,571.	1,304.	267.
	24 Total operating and administrative expenses. Add lines 13 through 23		18,639.	6,618.	12,008.
	25 Contributions, gifts, grants paid Part XV		18,000.		18,000.
AND DISBURSEMENTS	26 Total expenses and disbursements. Add lines 24 and 25		36,639.	6,618.	30,008.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements		337,737.		
	b Net investment income (if negative, enter -0-)			199,678.	
	c Adjusted net income (if negative, enter -0-)				1,227.

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	146,691.	41,408.	41,408.	
	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10a				
	b	44,235.	60,000.	66,876.	
	c		33,437.	33,161.	
	11				
	12				
	13	151,245.	545,063.	568,104.	
	14				
15					
16	342,171.	679,908.	709,549.		
LIABILITIES	17				
	18				
	19				
	20				
	21				
	22				
23	0.	0.			
NET ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	AS			
	25				
	26				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/> X		AMENDED		
	27				
	28				
	29	342,171.	679,908.		
	30	342,171.	679,908.		
	31	342,171.	679,908.		

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	342,171.
2	Enter amount from Part I, line 27a	2	337,737.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	679,908.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	679,908.

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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 7					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss).	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	199,859.	
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 the instructions). If (loss), enter -0- in Part I, line 8		3	1,408.	

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 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 (column (b) divided by column (c))
2009	7,513.	7,815.	0.961356
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)

2 0.961356

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 0.961356

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4 589,380.

5 Multiply line 4 by line 3

5 566,604.

6 Enter 1% of net investment income (1% of Part I, line 27b)

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6 1,997.

7 Add lines 5 and 6

7 568,601.

8 Enter qualifying distributions from Part XII, line 4

8 30,008.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here. ► <input type="checkbox"/> and enter 'N/A' on line 1.	
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instr.)	
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b	1 3,994.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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 3,994.
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 3,994.
6 Credits/Payments:	
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a
b Exempt foreign organizations – tax withheld at source	6b
c Tax paid with application for extension of time to file (Form 8868)	6c
d Backup withholding erroneously withheld	6d
7 Total credits and payments. Add lines 6a through 6d See Statement 8	7 4,126.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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 0.	9 0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid See Statement 9 ► 10 132.	10 132.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ► 0. Refunded ► 11 132.	11 132.

Part VII-A Statements Regarding Activities

1 a 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	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

	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

	X
--	---

c Did the foundation file Form 1120-POL for this year?

--	--

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.

	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

	X
--	---

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

	X
--	---

b If 'Yes,' has it filed a tax return on Form 990-T for this year?

	X
--	---

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If 'Yes,' attach the statement required by General Instruction T

	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?

	X
--	---

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

	X
--	---

8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ►

ID

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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.

	X
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9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

	X
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10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses. See Statement 10

	X
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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 instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X
14	The books are in care of ► <u>Northwest Trustee & Mgmt Serv</u> Telephone no. ► <u>509-466-3024</u> Located at ► <u>PO BOX 18969, SPOKANE, WA</u> ZIP + 4 ► <u>99228</u>		
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	N/A	► 15 N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ►	16	Yes X No

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
1b	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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►		N/A
1c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If 'Yes,' list the years ► 20__, 20__, 20__, 20__.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 the instructions)		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20__, 20__, 20__, 20__.		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)		
3b			N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2010?		
4b			X

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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 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	<u>TO PROVIDE EDUCATIONAL SCHOLARSHIPS AND FOR PURPOSES AS DEFINED UNDER SECTION 501(C) (3) OF THE IRS CODE.</u>	30,008.
2		
3		
4		

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

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

Amount

1	<u>N/A</u>	
2		

All other program-related investments. See instructions.

3		

Total. Add lines 1 through 3

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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 361,849.
b Average of monthly cash balances	1b 236,506.
c Fair market value of all other assets (see instructions)	1c
d Total (add lines 1a, b, and c)	1d 598,355.
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	3 598,355.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 8,975.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 589,380.
6 Minimum investment return. Enter 5% of line 5	6 29,469.

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 29,469.
2a Tax on investment income for 2010 from Part VI, line 5	2a 3,994.
b Income tax for 2010 (This does not include the tax from Part VI.)	2b
c Add lines 2a and 2b	2c 3,994.
3 Distributable amount before adjustments Subtract line 2c from line 1	3 25,475.
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5 25,475.
6 Deduction from distributable amount (see instructions)	6
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 25,475.

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 30,008.
b Program-related investments – total from Part IX-B	1b
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 30,008.
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 instructions)	5
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 30,008.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				25,475.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				0.
b Total for prior years 20____, 20____, 20____			0.	
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	7,509.	7,509.		
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 30,008.				
a Applied to 2009, 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 2010 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010. (If an amount appears in column (d), the same amount must be shown in column (a))				25,475.
6 Enter the net total of each column as indicated below:				0.
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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 2009. Subtract line 4a from line 2a Taxable amount - see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.			0.	
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				0.
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)			0.	
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:			12,042.	
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009	7,509.			
e Excess from 2010	4,533.			

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

N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling	<input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
b Check box to indicate whether the foundation is a private operating foundation described in section				
2a 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)(ii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

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Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see 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)				
<i>a Paid during the year</i>				
ANTHONY SCHOLTFELDT 520 ROME COURT RICHLAND, WA 99352			EDUCATION SCHOLARSHIP	3,000.
ELLEN WEBSTER 6309 S RAY COURT SPOKANE, WA 99223			EDUCATION SCHOLARSHIP	5,000.
STACEY STANHOPE 1037 SUNSTONE COURT RICHLAND, WA 99352			EDUCATION SCHOLARSHIP	5,000.
TAYLOR YOST 715 W 24TH AVE SPOKANE, WA 99203			EDUCATION SCHOLARSHIP	5,000.
Total				► 3a 18,000.
<i>b Approved for future payment</i>				
Total				► 3b

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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) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion 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	6,437.
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				14	199,859.
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)				206,296.	
13 Total Add line 12, columns (b), (d), and (e)				13	206,296.

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). (See the instructions.)
1	TO PROVIDE EDUCATIONAL SCHOLARSHIPS AND FOR PURPOSES AS DEFINED UNDER SECTION
	501(C) (3) OF THE IRS CODE.

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?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

- (1) Cash
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1a (1)	X	
1a (2)	X	
1b (1)	X	
1b (2)	X	
1b (3)	X	
1b (4)	X	
1b (5)	X	
1b (6)	X	
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			

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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		

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.

**Sign
Here**

Signature of officer or trustee

Date

Administrator

Title

Signature of officer or trustee		Preparer's signature	Date	Check if <input type="checkbox"/> if self-employed	PTIN
Paid Preparer Use Only	Print/Type preparer's name	John A Omlin	11-13-13		P01346901
	Firm's name	OMLIN GUNNING & ASSOCIATES, P S	Firm's EIN ► 91-1496404		
	Firm's address	9515 N DIVISION ST Suite 200 SPOKANE, WA 99218	Phone no (509) 467-2000		

BAA

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

OMB No 1545-0047

Schedule of Contributors

► Attach to Form 990, 990-EZ, or 990-PF

2010Name of the organization **ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC**Employer identification number
26-4167211**Organization type (check one):****Filers of:**

Form 990 or 990-EZ

Section:

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 an organization 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 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions 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 990-EZ, that received from any one contributor, during the year, 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: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990,
990EZ, or 990-PF.****Schedule B** (Form 990, 990-EZ, or 990-PF) (2010)**AS
AMENDED**

Name of organization

ARTHUR & TIIA BROWN FAMILY FOUNDATION

Employer identification number

26-4167211

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	STOCKS AND MUTUAL FUNDS	\$ 148,080.	3/08/10
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	AS		
	AMENDED		
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received

BAA

Name of organization

ARTHUR & TIIA BROWN FAMILY FOUNDATION

Employer identification number

26-4167211

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete cols (a) through (e) and the following line entry.

For organizations completing Part III, enter total of exclusively religious, charitable, etc, contributions of \$1,000 or less for the year. (Enter this information once. See instructions.)

► \$

N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
N/A			
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

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ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC

26-4167211

11/08/13

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Statement 1
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FIDUCIARY FEES	\$ 11,040.	\$ 5,299.	\$ 5,299.	\$ 5,741.
Total	<u>\$ 11,040.</u>	<u>\$ 5,299.</u>	<u>\$ 5,299.</u>	<u>\$ 5,741.</u>

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAX	\$ 15.	\$ 15.	\$ 15.	
INCOME TAX	13.			
Total	<u>\$ 28.</u>	<u>\$ 15.</u>	<u>\$ 15.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT FEES	\$ 1,304.	\$ 1,304.	\$ 1,304.	
WEBSITE	267.			
Total	<u>\$ 1,571.</u>	<u>\$ 1,304.</u>	<u>\$ 1,304.</u>	<u>\$ 267.</u>

Statement 4
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

	Valuation Method	Book Value	Fair Market Value
Corporate Stocks			
FS INVESTMENT CORPORATION	Cost	\$ 60,000.	\$ 66,876.
	Total	<u>\$ 60,000.</u>	<u>\$ 66,876.</u>

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ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC

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Statement 5
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
ISHARES BARCLAYS BD 1-3 YR	Cost	\$ 33,437.	\$ 33,161.
	Total	\$ 33,437.	\$ 33,161.

Statement 6
Form 990-PF, Part II, Line 13
Investments - Other

Other Investments	Valuation Method	Book Value	Fair Market Value
ROYCE PREMIER FD INVEST CLASS	Cost	\$ 65,761.	\$ 75,081.
FIDELITY CONTRA FUND	Cost	\$ 101,099.	\$ 106,824.
LAZARD DEVEL MKTS EQ PORT	Cost	\$ 13,930.	\$ 13,556.
MANNING & NAPIER WORLD OPPTY A	Cost	\$ 59,350.	\$ 59,113.
DIAMOND HILL LARGE CAP FUND CL A	Cost	\$ 100,752.	\$ 106,550.
THORNBURG INTL VALUE CL A	Cost	\$ 58,004.	\$ 59,995.
DODGE & COX INTL STOCK FD	Cost	\$ 58,813.	\$ 59,435.
EV PARAMETRIC TAX MGD EMRG MKTS	Cost	\$ 20,354.	\$ 20,550.
COLE CREDIT PROPERTY TRUST III INC	Cost	\$ 67,000.	\$ 67,000.
	Total	\$ 545,063.	\$ 568,104.

Statement 7
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment IncomeAS
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Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	AMCOL INTL CORP NEW	Donated	12/01/2001	7/28/2010
2	AMCOL INTL CORP NEW	Donated	12/01/2001	7/28/2010
3	ARTIO INTERNATIONAL EQUITY FUND II	Purchased	12/29/2009	10/14/2010
4	ARTIO INTERNATIONAL EQUITY FUND II	Purchased	Various	10/14/2010
5	CALAMOS GROWTH & INCOME CL A	Purchased	3/22/2010	10/14/2010
6	CALAMOS GROWTH & INCOME CL A	Purchased	Various	10/14/2010
7	FIDELITY ADV LEVERAGED CO STOCK FD CL I	Donated	9/09/2010	10/14/2010
8	FIDELITY ADV LEVERAGED CO STOCK FD CL I	Donated	6/22/2006	10/14/2010
9	IVY FUNDS INC ASSET STRATEGY FD CL A	Donated	6/22/2006	10/14/2010
10	JANUS OVERSEAS FUND CL T	Donated	6/22/2006	10/14/2010
11	PIONEER CULLEN VALUE FD CL A	Donated	6/22/2006	10/14/2010
12	VANGUARD SELECTED VALUE FUND	Purchased	12/29/2009	10/14/2010
13	VANGUARD SELECTED VALUE FUND	Donated	6/22/2006	10/14/2010
14	GROWTH FUND OF AMERICA CLASS F-1	Donated	12/20/2004	10/14/2010
15	WA MUTAL INVESTORS FUND CL F-1	Donated	12/20/2004	10/14/2010
16	ISHARES RUSSELL 1000 VALUE FD	Donated	6/29/2006	10/18/2010
17	ISHARES MSCI EAFE D	Donated	6/29/2006	10/18/2010
18	ISHARES TR RUSSESS 1000 GT INDEX FD	Donated	6/29/2006	10/18/2010
19	SECTOR SPDR TR SHS BEN INT UTILITIES	Donated	6/29/2006	10/18/2010
20	LT CAP GAIN DIST	Purchased		
21	ST CAP GAIN DIST	Purchased		

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ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC

26-4167211

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Statement 7 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	282,351.		118,464.	163,887.				\$ 163,887.
2	72,152.		29,616.	42,536.				42,536.
3	335.		463.	-128.				-128.
4	7,122.		9,834.	-2,712.				-2,712.
5	343.		343.	0.				0.
6	20,988.		21,001.	-13.				-13.
7	24.		24.	0.				0.
8	10,879.		10,647.	232.				232.
9	10,807.		12,521.	-1,714.				-1,714.
10	11,871.		14,216.	-2,345.				-2,345.
11	18,415.		18,646.	-231.				-231.
12	161.		163.	-2.				-2.
13	10,822.		10,953.	-131.				-131.
14	21,085.		19,779.	1,306.				1,306.
15	10,478.		12,315.	-1,837.				-1,837.
16	10,585.		12,478.	-1,893.				-1,893.
17	10,460.		11,484.	-1,024.				-1,024.
18	10,754.		10,041.	713.				713.
19	10,186.		10,230.	-44.				-44.
20	1,721.		0.	1,721.				1,721.
21	1,538.		0.	1,538.				1,538.
								Total \$ 199,859.

Statement 8
Form 990-PF, Part VI, Line 7
Total Credits and Payments

Tax Paid With Original Return	\$ 4,126.
Total	\$ 4,126.

**AS
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Statement 9
Form 990-PF, Part VI, Line 10
Overpayment

Overpayment	\$ 132.
Total	\$ 132.

Statement 10
Form 990-PF, Part VII-A, Line 10
Substantial Contributors During the Tax Year

Name of Substantial Contributor	Address of Substantial Contributor
---------------------------------	------------------------------------

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ARTHUR & TIIA BROWN FAMILY FOUNDATION
INC

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Statement 10 (continued)
Form 990-PF, Part VII-A, Line 10
Substantial Contributors During the Tax Year

Arthur & Tiia Brown

PO Box 1290
Hayden Lake, ID 83835

Statement 11
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/Other
Art Brown PO BOX 1290 Hayden Lake, ID 83835	Director 1	\$ 0.	\$ 0.	\$ 0.
Tiia Brown PO BOX 1290 Hayden Lake, ID 83835	Director 1	0.	0.	0.
Lisa Callahan PO Box 522 Coeur d'Alene, ID 83816	Director 1	0.	0.	0.
Michael Callahan PO Box 522 Coeur d'Alene, ID 83816	Director 1	0.	0.	0.
Hayley McGonigle 1206 E Welden Drive Spokane, WA 99223	Director 1	6,000.	0.	0.
Michael McGonigle 1206 E Welden Drive Spokane, WA 99223	Director 1	0.	0.	0.
Laura Taylor 1203 W Edgewood Circle Coeur d'Alene, ID 83815	Director 1	0.	0.	0.
Brian Taylor 1203 W Edgewood Circle Coeur d'Alene, ID 83815	Director 1	0.	0.	0.
Total		\$ 6,000.	\$ 0.	\$ 0.

AS
AMENDED

Art & Tiia Family Foundation Inc

EIN: 26-4167211

Tax Year: 2010

AMENDED RETURN EXPLANATION

WE ARE AMENDING THIS RETURN FOR THE FOLLOWING REASONS:

- 1) TO CORRECT REPORTING OF DIVIDENDS UNDER PART I
- 2) TO SPLIT OUT FIDUCIARY FEES CORRECTLY UNDER PART I
- 3) TO MOVE INVESTMENT FEES FROM COLUMN D TO COLUMN B UNDER PART I
- 4) TO MOVE FEES PAID TO DIRECTOR FROM LINE 23 TO LINE 13 UNDER PART 1
- 5) TO CORRECT AMOUNT REPORTED FROM AMENDED 2009 UNDER PART V, LINE 1, COLUMN C
- 6) TO CORRECT AMOUNTS REPORTED UNDER PART X AS THE AVERAGE MONTHLY VALUES WERE INCORRECTLY CALCULATED
- 7) TO CORRECT THE ADDRESSES OF THE SCHOLARSHIPS RECIPIENTS UNDER PART XV.

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AMENDED