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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
2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
WHATLEY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
615 HILLSIDE DR E

Room/suite

City or town, state, and ZIP code
SEATTLE, WA 98112

A Employer identification number
26-6700524

B Telephone number (see page 10 of the instructions)
(206) 328-1420

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)
\$ 1,845,735

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	17,126	17,126		
	4 Dividends and interest from securities.	50,700	50,700		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	112,779			
	b Gross sales price for all assets on line 6a 1,434,979				
	7 Capital gain net income (from Part IV , line 2)		112,779		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	180,605	180,605		
	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).	1,858	0		0
	b Accounting fees (attach schedule).	7,435	0		0
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	3,031	264		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	11,206	11,013		0
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	23,530	11,277		0
	25 Contributions, gifts, grants paid	88,500			88,500
	26 Total expenses and disbursements. Add lines 24 and 25	112,030	11,277		88,500
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	68,575			
	b Net investment income (if negative, enter -0-)		169,328		
	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		765	765
	2	Savings and temporary cash investments	58,478	196,707	196,707
	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) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1,297,597	1,278,297	1,463,173
	c	Investments—corporate bonds (attach schedule).	210,095	157,056	183,170
	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 ▶ _____)	0	1,920	1,920	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,566,170	1,634,745	1,845,735	
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	0	0	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	1,566,170	1,634,745	
	30	Total net assets or fund balances (see page 17 of the instructions)	1,566,170	1,634,745	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,566,170	1,634,745	

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)	1,566,170
2	Enter amount from Part I, line 27a	68,575
3	Other increases not included in line 2 (itemize) ▶ _____	0
4	Add lines 1, 2, and 3	1,634,745
5	Decreases not included in line 2 (itemize) ▶ _____	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	1,634,745

Part IV

Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
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	See Additional Data Table			
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	See Additional Data Table			
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 }			2112,779
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))
2009	22,500	1,699,489	0 013239
2008	45,800	1,133,444	0 040408
2007			
2006			
2005			
2	Total of line 1, column (d).		20 053647
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		30 026824
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.		41,729,325
5	Multiply line 4 by line 3.		546,387
6	Enter 1% of net investment income (1% of Part I, line 27b).		61,693
7	Add lines 5 and 6.		748,080
8	Enter qualifying distributions from Part XII, line 4.		888,500
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	1,693
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	1,693
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	1,693
6		Credits/Payments			
a		2010 estimated tax payments 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	2,200	
d		Backup withholding erroneously withheld	6d		
7		Total credits and payments Add lines 6a through 6d.		7	2,200
8		Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	47
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	460
11		Enter the amount of line 10 to be Credited to 2011 estimated tax ☒ 460	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 2010 or the taxable year beginning in 2010 (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 J ANTHONY WHATLEY Telephone no (206) 328-1420 Located at 615 HILLSIDE DR E SEATTLE WA ZIP+4 98112			
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	
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?	16		No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country.				

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		
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 2010?	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 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			
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 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		
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 2010?	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
JULIAN ANTHONY WHATLEY III 615 HILLSIDE DR E SEATTLE, WA 98112	TRUSTEE 5 00	0	0	0
LINDA V WHATLEY 615 HILLSIDE DR E SEATTLE, WA 98112	TRUSTEE 5 00	0	0	0
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 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
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	1,516,766
b	Average of monthly cash balances.	1b	238,894
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,755,660
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	1,755,660
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	26,335
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,729,325
6	Minimum investment return. Enter 5% of line 5.	6	86,466

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	86,466
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	1,693
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,693
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	84,773
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	84,773
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	84,773

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	88,500
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	88,500
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	1,693
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	86,807
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 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7			84,773
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.			11,603
f	Total of lines 3a through e.	11,603		
4	Qualifying distributions for 2010 from Part XII, line 4 ➤ \$ 88,500			
a	Applied to 2009, 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 2010 distributable amount.			84,773
e	Remaining amount distributed out of corpus	3,727		
5	Excess distributions carryover applied to 2010 (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	15,330		
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 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the 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 page 27 of the instructions).	0		
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).	0		
9	Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.	15,330		
10	Analysis of line 9			
a	Excess from 2006.			
b	Excess from 2007.			
c	Excess from 2008.			
d	Excess from 2009.			11,603
e	Excess from 2010.			3,727

Part XIV

Private 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 2010, 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) 2010	(b) 2009	(c) 2008	(d) 2007	
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 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))

See Additional Data Table

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

WHATLEY FOUNDATION
615 HILLSIDE DR E
SEATTLE, WA 98112
(206) 328-1420

b

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

NO SPECIFIC FORM

c

Any submission deadlines

NO SUBMISSION DEADLINE

d

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

ONLY FOR QUALIFIED 501(C)3 ORGANIZATIONS

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	88,500
b Approved for future payment				
Total			3b	0

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2010)

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.

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.

1a(1)

1a(2)

1b(1)

1b(2)

1b(3)

1b(4)

1b(5)

1b(6)

1c

Yes

No

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

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
--------------------------	--------------------------	---------------------------------

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.

2011-10-12

Signature of officer or trustee

Date

Title

Paid Preparer's Use Only

Preparer's Signature	ROBERT BEST	Date	Check if self-employed	PTIN
Firm's name	RSM MCGLADREY INC	Firm's EIN		
	1145 BROADWAY PLAZA SUITE 900			
Firm's address	TACOMA, WA 984023523	Phone no	(253) 572-7111	

Form 990-PF (2010)

Additional Data

Software ID:
Software Version:
EIN: 26-6700524
Name: WHATLEY FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
A	3400 SH AGNICO EAGLE MINES COM	P	2010-05-20	2010-09-09
B	10000 SH AMAROK RES INC	P	2010-03-31	2010-04-15
C	10000 SH ANDEAN AMERICAN MINING CORP	P	2009-11-03	2010-03-30
D	1500 SH BERKSHIRE HATHAWAY INC	P	2009-09-09	2010-01-29
E	250 SH BRISTOL MYERS SQUIBB	P	2009-03-26	2010-01-20
F	175 SH CHEVRON CORP	P	2010-04-05	2010-10-27
G	1000 SH COCA COLA CO	P	2010-05-05	2010-12-09
H	1000 SH CONOCOPHILLIPS	P	2009-10-07	2010-05-05
I	5000 SH ENERGOLD DRILLING CORP	P	2009-11-18	2010-03-31
J	180 SH FRONTIER COMMUNICATIONS	P	2009-10-07	2010-07-26
K	1250 SH HEINZ H J CO	P	2009-10-07	2010-05-14
L	2850 SH ISHARES SILVER TR ISHARES	P	2009-10-12	2010-03-30
M	1750 SH KRAFT FODS INC	P	2009-05-05	2010-01-29
N	1500 SH LILLY ELI & CO	P	2009-10-07	2010-01-29
O	900 SH MCDONALDS CORP	P	2009-07-28	2010-05-14
P	375 SH MICROSOFT CORP	P	2009-10-07	2010-01-20
Q	20000 SH ORKO SILVER CORP	P	2009-10-06	2010-07-23
R	2250 SH PAN AMERICAN SILVER CORP	P	2009-10-14	2010-03-30
S	850 SH PEPSICO INC	P	2010-02-16	2010-05-14
T	3750 SH PFIZER INC	P	2010-01-08	2010-12-09
U	900 SH PROCTER & GAMBLE CO	P	2009-05-05	2010-01-29
V	1000 SH SPDR GOLD TR GOLD SHS	P	2010-03-31	2010-04-15
W	10000 SH SOURCE GOLD CORP	P	2010-03-31	2010-03-30
X	20000 SH TIMBERLINE RESOURCES CORP	P	2009-10-06	2010-03-30
Y	3500 SH VODAFONE GROUP	P	2009-10-08	2010-05-20
Z	1750 SH AT&T INC COM	P	2009-03-26	2010-12-09
AA	420 SH FRONTIER COMMUNICATIONS	P	2009-06-18	2010-07-26
AB	3500 SH PFIZER INC	P	2009-05-12	2010-12-09
AC	50000 SMITH INTL TENDER OFFER	P	2009-04-23	2010-10-21

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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	210,640		201,606	9,034
B	14,715		23,700	-8,985
C	4,115		3,031	1,084
D	115,366		98,230	17,136
E	6,343		5,250	1,093
F	14,581		13,646	935
G	64,793		53,406	11,387
H	56,371		49,338	7,033
I	12,007		13,240	-1,233
J	1,349		1,355	-6
K	57,989		49,335	8,654
L	48,461		49,752	-1,291
M	48,565		44,689	3,876
N	53,074		49,335	3,739
O	63,131		50,839	12,292
P	11,479		9,371	2,108
Q	25,707		18,975	6,732
R	50,944		55,147	-4,203
S	56,176		51,574	4,602
T	67,620		60,899	6,721
U	55,560		44,647	10,913
V	17,000		17,600	-600
W	108,214		102,612	5,602
X	21,053		21,900	-847
Y	65,246		76,054	-10,808
Z	50,347		45,532	4,815
AA	3,146		3,258	-112
AB	58,487		55,019	3,468
AC	72,500		52,860	19,640

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
A				9,034
B				-8,985
C				1,084
D				17,136
E				1,093
F				935
G				11,387
H				7,033
I				-1,233
J				-6
K				8,654
L				-1,291
M				3,876
N				3,739
O				12,292
P				2,108
Q				6,732
R				-4,203
S				4,602
T				6,721
U				10,913
V				-600
W				5,602
X				-847
Y				-10,808
Z				4,815
AA				-112
AB				3,468
AC				19,640

Form 990PF Part XV Line 1a - 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).

JULIAN ANTHONY WHATLEY III
LINDA V WHATLEY

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				
AGROS 2225 4TH AVE 2ND FLOOR SEATTLE,WA 98121	NONE	501(C)3	SOCIAL SERVICE	5,000
ARCS PMB 429 4616 25TH AVE NE SEATTLE,WA 98105	NONE	501(C)3	EDUCATION	5,000
ARTSFUND PO BOX 19780 10 HARRISON ST STE 200 SEATTLE,WA 98109	NONE	501(C)3	EDUCATION	5,000
SEATTLE CHILDREN'S HOME 2142 10TH AVENUE WEST SEATTLE,WA 98119	NONE	501(C)3	SOCIAL SERVICE	500
DISCOVERY INSTITUTE 208 COLUMBIA STREET SEATTLE,WA 98104	NONE	501(C)3	EDUCATION	5,000
EPIPHANY SCHOOL 3611 EAST DENNY WAY SEATTLE,WA 98122	NONE	501(C)3	EDUCATION	2,500
FIRST PLACE PO BOX 22536 SEATTLE,WA 98122	NONE	501(C)3	SOCIAL SERVICE	500
GLOBAL PARTNERSHIP 909 NE BOAT STREET STE 200 SEATTLE,WA 98105	NONE	501(C)3	SOCIAL SERVICE	5,000
JUBILEE WOMEN CENTER 620 18TH AVENUE EAST SEATTLE,WA 98112	NONE	501(C)3	SOCIAL SERVICE	1,000
PROJECT KAISEI OCEAN VOYAGES INSTITUTE - 1709 BRIDGEWAY SAUSALITO,CA 94965	NONE	501(C)3	EDUCATION	5,000
LAKESIDE ANNUAL FUND 14050 1ST AVENEUE NE SEATTLE,WA 98125	NONE	501(C)3	EDUCATION	5,000
NICARAGUA 230 NE 140TH STREET SEATTLE,WA 98125	NONE	501(C)3	SOCIAL SERVICE	1,000
PATH CATALYST FUND PO BOX 900922 SEATTLE,WA 98109	NONE	501(C)3	MEDICAL	2,500
PATH OF ART 117 EAST LOUISA STREET BOX 236 SEATTLE,WA 98102	NONE	501(C)3	EDUCATION	1,000
PRINCETON UNIVERSITY NASSAU HALL PRINCETON,NJ 08542	NONE	501(C)3	EDUCATION	3,000
Total ▶ 3a				88,500

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				
RECOVERY CAF 2022 BOREN AVENUE SEATTLE,WA 98121	NONE	501(C)3	EDUCATION	1,000
SEATTLE CHILDREN'S THEATRE 201 THOMAS STREET SEATTLE,WA 98109	NONE	501(C)3	EDUCATION	500
SOCIETY OF ST VINCENT DE PAUL 5950 FOURTH AVUENE SOUTH SEATTLE,WA 98108	NONE	501(C)3	SOCIAL SERVICE	5,000
TELIOS PMB 502 4616 25TH AVE NE SEATTLE,WA 98105	NONE	501(C)3	SOCIAL SERVICE	10,000
TREEHOUSE 2100 24TH AVE S STE 200 SEATTLE,WA 98144	NONE	501(C)3	SOCIAL SERVICE	10,000
UNIVERSITY OF PRESBYTERIAN CHURCH 4540 15TH AVE NE SEATTLE,WA 98105	NONE	501(C)3	EDUCATION	10,000
WASHINTON WOMEN'S FOUNDATION 2100 24TH AVE S 330 SEATTLE,WA 98144	NONE	501(C)3	SOCIAL SERVICE	2,500
WATER FIRST 1904 3RD AVENUE SUITE 1012 SEATTLE,WA 98101	NONE	501(C)3	SOCIAL SERVICE	1,000
YOUTHCARE 2500 NE 54TH STREET SUITE 100 SEATTLE,WA 98105	NONE	501(C)3	SOCIAL SERVICE	500
YWCA 909 FOURTH AVE SEATTLE,WA 98104	NONE	501(C)3	SOCIAL SERVICE	1,000
Total ▶ 3a				88,500

TY 2010 Accounting Fees Schedule

Name: WHATLEY FOUNDATION

EIN: 26-6700524

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	7,435	0		0

**TY 2010 Investments Corporate
Bonds Schedule****Name:** WHATLEY FOUNDATION**EIN:** 26-6700524

Name of Bond	End of Year Book Value	End of Year Fair Market Value
AMERICAN EXPRESS CR CORP MTNBE	48,500	56,343
GATX CORP MAKE WHOLE 08.75000%	49,975	58,012
SOUTHWEST AIRLINES NTS 5.750%	58,581	68,815

**TY 2010 Investments Corporate
Stock Schedule****Name:** WHATLEY FOUNDATION**EIN:** 26-6700524

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ALTRIA GROUP INC	57,548	73,860
BCE INC COM	50,415	59,396
BRISTOL MYERS SQUIBBE	90,933	105,920
CHEVRON CORP	85,775	100,375
FORD MTR CO DEL COM	96,177	125,925
INTEL CORP	103,616	105,150
JOHNSON & JOHNSON	96,718	108,238
KIMBERLY CLARK	55,120	53,584
KINDER MORGAN ENERGY PARTNERS LP	51,338	70,260
KRAFT FOODS INC CL A	96,895	101,620
LILLY ELI & CO	49,335	52,560
MERCK & CO INC	52,814	54,060
MICROSOFT CORP	108,639	111,640
PHILIP MORRIS INTL INC COM	87,387	117,060
TOTAL ADR EACH REP 1 ORD SHS EUR10	52,049	53,480
VERIZON COMMUNICATIONS	92,213	116,285
ANNALY CAPITAL MANAGEMENT INC	51,325	53,760

TY 2010 Legal Fees Schedule

Name: WHATLEY FOUNDATION

EIN: 26-6700524

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	1,858	0		0

TY 2010 Other Assets Schedule

Name: WHATLEY FOUNDATION

EIN: 26-6700524

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DIVIDEND RECEIVABLE		1,920	1,920

TY 2010 Other Expenses Schedule**Name:** WHATLEY FOUNDATION**EIN:** 26-6700524

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	10,674	10,674		0
AMORTIZATION OF BOND PREMIUM	339	339		0
MISC	193	0		0

TY 2010 Taxes Schedule

Name: WHATLEY FOUNDATION

EIN: 26-6700524

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX	264	264		0
FEDERAL INCOME TAX	2,767	0		0