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

2010

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

, and ending

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

THE HANDLEY FOUNDATION INC.  
FKA G.KENNETH & ETHEL L. HANDLEY FDN INC

## A Employer identification number

58-2469598

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
 R. HANDLEY-401 E LAS OLAS BLVD #130-465

## B Telephone number

(954) 627-5036

## City or town, state, and ZIP code

FORT LAUDERDALE, FL 33301

## C If exemption application is pending, check here ►

## D 1. Foreign organizations, check here ►

## 2. Foreign organizations meeting the 85% test, check here and attach computation ►

H Check type of organization:  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) J Accounting method:  Cash  Accrual  
 ► \$ 820,712. (Part I, column (d) must be on cash basis)

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

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

Revenue	Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
		5.	5.	N/A	STATEMENT 1
1 Contributions, gifts, grants, etc., received					
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		16,561.			
b Gross sales price for all assets on line 6a	424,890.				
7 Capital gain net income (from Part IV, line 2)			16,561.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		35,584.	35,584.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	2,375.	0.		2,375.
c Other professional fees					
17 Interest					
18 Taxes	STMT 4	1,481.	417.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		2,967.	0.		2,967.
22 Printing and publications					
23 Other expenses	STMT 5	7,170.	6,748.		422.
24 Total operating and administrative expenses. Add lines 13 through 23		13,993.	7,165.		5,764.
25 Contributions, gifts, grants paid		49,160.			49,160.
26 Total expenses and disbursements. Add lines 24 and 25		63,153.	7,165.		54,924.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<27,569. >			
b Net investment income (if negative, enter -0-)			28,419.		
c Adjusted net income (if negative, enter -0-)				N/A	

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
1	Cash - non-interest-bearing		1,524.	813.	813.
2	Savings and temporary cash investments		19,584.	23,619.	23,619.
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				
7	Other notes and loans receivable ►				
	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	STMT 6	193,981.	210,267.	219,102.
b	Investments - corporate stock	STMT 7	507,927.	460,725.	577,178.
c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
12	Investments - mortgage loans				
13	Investments - other				
14	Land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
15	Other assets (describe ►)				
16	Total assets (to be completed by all filers)		723,016.	695,424.	820,712.
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				
22	Other liabilities (describe ►)				
23	Total liabilities (add lines 17 through 22)		0.	0.	
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	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 ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
27	Capital stock, trust principal, or current funds		15,277.	15,277.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
29	Retained earnings, accumulated income, endowment, or other funds		707,739.	680,147.	
30	Total net assets or fund balances		723,016.	695,424.	
31	Total liabilities and net assets/fund balances		723,016.	695,424.	

## 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	723,016.
2	Enter amount from Part I, line 27a	2	<27,569.>
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	695,447.
5	Decreases not included in line 2 (itemize) ► COST ADJUSTMENTS TO INVESTMENTS	5	23.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	695,424.

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 3

**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 MORGAN STANLEY A/C 415-30413-15 SEE ATTACHED			P	VARIOUS	VARIOUS
b MORGAN STANLEY A/C 415-30413-15 SEE ATTACHED			P	VARIOUS	VARIOUS
c 2000 SHS BIOSPHERE MEDICAL INC			P	VARIOUS	VARIOUS
d CAPITAL GAINS DIVIDENDS					
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 371,908.			345,052.	26,856.	
b 44,031.			36,570.	7,461.	
c 8,354.			26,707.	<18,353.>	
d 597.				597.	
e Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69		(j) Adjusted basis as of 12/31/69			
a			26,856.		
b			7,461.		
c			<18,353.>		
d			597.		
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	16,561.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			3	N/A	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes  No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	52,002.	684,573.	.075963
2008	54,052.	959,300.	.056345
2007	56,964.	1,239,216.	.045968
2006	52,649.	1,147,722.	.045873
2005	45,514.	1,086,793.	.041879

2 Total of line 1, column (d)

2 .266028

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 .053206

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

4 759,066.

5 Multiply line 4 by line 3

5 40,387.

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

6 284.

7 Add lines 5 and 6

7 40,671.

8 Enter qualifying distributions from Part XII, line 4

8 54,924.

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.

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 4

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	1	284.
	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 ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
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	284.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	284.
6	<b>Credits/Payments:</b>		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	600.
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	600.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	316.
11	Enter the amount of line 10 to be: <b>Credited to 2011 estimated tax</b> ►	11	0.

**Part VII-A Statements 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?	1a	X
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>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.</i>		
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? <i>If "Yes," attach a detailed description of the activities.</i>	2	X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	X
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	<b>FL</b>		
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

Form 990-PF (2010)

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 5

## 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 ► **N/A** 13  X

14 The books are in care of ► **RICHARD HANDLEY** Telephone no. ► **(954) 627-5036**  
Located at ► **401 E. LAS OLAS BLVD #130-465, FORT LAUDERDALE, F ZIP+4 ►33301**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15  N/A

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  Yes  No X

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.

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  X  No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  X  No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  X  No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  X  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  X  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  X  No

b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here ►  N/A

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  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)):  Yes  X  No

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?  Yes  X  No

If "Yes," list the years ► \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A  2b

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.

► \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?  Yes  X  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.) N/A  3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a  X

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? 4b  X

Form 990-PF (2010)

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 6

## 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))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)?
- (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 Yes  No Yes  No Yes  No Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b



Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

 Yes  No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes  No

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

 Yes  No

7b



7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
G. KENNETH HANDLEY, JR. 724 FREEZE CREEK CIRCLE SALT LAKE CITY, UT 84108	DIRECTOR 0.00	0.	0.	0.
STEPHEN L. HANDLEY 10 AZURE BRAE GRANTHAM, NH 03753	DIRECTOR 1.00	0.	0.	0.
HELEN HOUGHTON 1016 FIFTH AVENUE NEW YORK, NY 10028	DIRECTOR 0.00	0.	0.	0.
RICHARD L. HANDLEY 617 ISLE OF PALMS FORT LAUDERDALE, FL 33301	DIRECTOR 1.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

Form 990-PF (2010)

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 7

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)****3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		

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 N/A	
2	
3	
4	

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
<b>Total. Add lines 1 through 3</b>	► 0.

Form 990-PF (2010)

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 8

**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	749,027.
b	Average of monthly cash balances	1b	21,598.
c	Fair market value of all other assets	1c	
d	<b>Total</b> (add lines 1a, b, and c)	1d	770,625.
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	770,625.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	11,559.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	759,066.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	37,953.

**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	37,953.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	284.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	284.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	37,669.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	37,669.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	37,669.

**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	54,924.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	54,924.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	284.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	54,640.

**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.

Form 990-PF (2010)

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 9

**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				37,669.
2 Undistributed income, if any, as of the end of 2010			0.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007	3,759.			
d From 2008	6,251.			
e From 2009	18,941.			
f Total of lines 3a through e		28,951.		
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 54,924.			0.	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2010 distributable amount				37,669.
e Remaining amount distributed out of corpus		17,255.		
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:		46,206.		
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 instr.				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)		0.		
8 Excess distributions carryover from 2005 not applied on line 5 or line 7		0.		
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		46,206.		
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007	3,759.			
c Excess from 2008	6,251.			
d Excess from 2009	18,941.			
e Excess from 2010	17,255.			

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598

Page 10

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ►

4942(j)(3) or  4942(j)(5)

Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	
a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon:				
a "Assets" alternative test - enter:				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c "Support" alternative test - enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

**Part XV** Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the instructions.)

## 1 Information Regarding Foundation Managers:

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

**NONE**

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

**NONE**

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

Check here ►  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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:

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598 Page 11

## 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
<i>a Paid during the year</i> SEE ATTACHED SCHEDULE-VARIOUS RECIPIENTS	NONE	EXEMPT	VARIOUS	49,160.
<b>Total</b>			► 3a	49,160.
<i>b Approved for future payment</i>				
NONE				
<b>Total</b>			► 3b	0.

## THE HANDLEY FOUNDATION INC.

Form 990-PF (2010)

FKA G. KENNETH &amp; ETHEL L. HANDLEY FDN INC

58-2469598 Page 12

**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.

## 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

## 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

## 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)

## 13 Total. Add line 12, columns (b), (d), and (e)

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

	Unrelated business income		(c) Exclu- sion code	(d) Amount	(e) Related or exempt function income
	(a) Business code	(b) 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			14	5.	
4 Dividends and interest from securities			14	19,018.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	16,561.	
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.		35,584.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	35,584.

**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).
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THE HANDLEY FOUNDATION INC.

**Form 990-PF (2010)**

FKA G.KENNETH & ETHEL L. HANDLEY FDN INC

58-2469598 Page 13

**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 solicitation

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.

**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		
<i>A</i>		

**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

5/13/2011  
Date

**DIRECTOR**

**Title**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>EMMA J PFISTER CPA</b>	<i>Emma J Pfister CPA</i>	5/12/11		
	Firm's name ► TEMPLETON & COMPANY, LLP 5900 NORTH ANDREWS AVE - SUITE 610			Firm's EIN ►	
	Firm's address ► FORT LAUDERDALE, FL 33309			Phone no. 954-333-0001	

## FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MORGAN STANLEY 415-30413-16	5.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	5.

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY 415-30413-16	19,615.	597.	19,018.
TOTAL TO FM 990-PF, PART I, LN 4	19,615.	597.	19,018.

## FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TEMPLETON & CO	2,375.	0.		2,375.
TO FORM 990-PF, PG 1, LN 16B	2,375.	0.		2,375.

## FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	417.	417.		0.
EXCISE TAXES	1,064.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,481.	417.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES-MORGAN STANLEY	6,748.	6,748.		0.
DEPT OF STATE-UNIFORM BUSINESS REPORT	62.	0.		62.
POST OFFICE BOX RENTAL	360.	0.		360.
TO FORM 990-PF, PG 1, LN 23	7,170.	6,748.		422.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
-------------	--------------------------------------------	-----------	---

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY-FIXED INCOME-SEE ATTACHED	X		210,267.	219,102.
TOTAL U.S. GOVERNMENT OBLIGATIONS			210,267.	219,102.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			210,267.	219,102.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY-COMMON STK-SEE ATTACHED	460,725.	577,178.
TOTAL TO FORM 990-PF, PART II, LINE 10B	460,725.	577,178.

# MorganStanley SmithBarney

Ref: 00005805 00043192

## Reserved Client Statement 2010 Year End Summary

THE HANDLEY FOUNDATION

Account Number 415-30413-16 050

### Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	414	ISHARES BARCLAYS TREAS INDEX FD	08/13/09	06/04/10	\$ 43,779.26	\$ 41,660.57		\$ 2,118.69
	134	INFLATION PROTECTED SECS FD MorganStanley SmithBarney LLC acted as your agent	08/21/09	14,170.10		13,645.22		524.88
125000020	131	ISHARES RUSSELL MIDCAP VALUE INDEX FD	08/13/09	05/11/10	5,401.29	4,334.53		1,066.76
		MorganStanley SmithBarney LLC acted as your agent						
125000030	545	ISHARES RUSSELL MIDCAP VALUE INDEX FD	08/13/09	06/04/10	20,568.06	18,032.96		2,535.10
		MorganStanley SmithBarney LLC acted as your agent						
125000040	174	ISHARES RUSSELL MIDCAP VALUE INDEX FD	08/13/09	07/23/10	6,688.44	5,757.31		931.13
		MorganStanley SmithBarney LLC acted as your agent						
125000070	3	ISHARES RUSSELL MIDCAP GROWTH INDEX FD	08/13/09	05/11/10	146.63	120.02		26.61
		MorganStanley SmithBarney LLC acted as your agent						
125000080	559	ISHARES RUSSELL MIDCAP GROWTH INDEX FD	08/13/09	06/04/10	25,964.22	22,363.69		3,600.53
		MorganStanley SmithBarney LLC acted as your agent						
125000110	315	ISHARES RUSSELL 1000 VALUE IND FUND	08/13/09	07/23/10	17,923.82	16,596.28		1,327.54
		MorganStanley SmithBarney LLC acted as your agent						
125000160	273	ISHARES TR RUSSELL 2000 VALUE INDEX FUND	08/13/09	06/04/10	16,493.97	14,681.26		1,812.71
	10	MorganStanley SmithBarney LLC acted as your agent	08/21/09	604.17	549.90			54.27



# MorganStanley SmithBarney

Ref: 00005805 00043193

## Reserved Client Statement 2010 Year End Summary

THE HANDLEY FOUNDATION  
Account Number 415-30413-16 050

### Details of Short Term Gain (Loss) 2010 *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000190	467	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND	08/13/09	06/04/10	\$ 32,884.60	\$ 28,639.94		\$ 4,244.66
		MorganStanley SmithBarney LLC acted as your agent						
125000220	13	ISHARES JP MORGAN EM BOND FD	06/04/10	07/23/10	1,390.64	1,327.31		63.33
		MorganStanley SmithBarney LLC acted as your agent						
125000230	121	ISHARES JP MORGAN EM BOND FD	06/04/10	11/19/10	13,273.55	12,354.23		919.32
		MorganStanley SmithBarney LLC acted as your agent						
125000240	6	ISHARES JP MORGAN EM BOND FD	06/04/10	11/24/10	653.49	612.61		40.88
		MorganStanley SmithBarney LLC acted as your agent						
125000250	38	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF	06/04/10	07/23/10	1,491.50	1,421.58		69.92
		MorganStanley SmithBarney LLC acted as your agent						
125000260	17	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF	06/04/10	11/24/10	678.31	635.97		42.34
		MorganStanley SmithBarney LLC acted as your agent						
125000270	16	SPDR LEHMAN INTL TREASURY BOND FUND	06/04/10	07/23/10	895.29	844.64		50.65
		MorganStanley SmithBarney LLC acted as your agent						
125000280	5	SPDR LEHMAN INTL TREASURY BOND FUND	06/04/10	11/24/10	292.41	263.95		28.46
		MorganStanley SmithBarney LLC acted as your agent						
125000290	769	VANGUARD BD INDEX FD INC TOTAL BD MARKET ETF	08/13/09	06/04/10	61,749.65	59,978.38		1,771.27
		MorganStanley SmithBarney LLC acted as your agent						



# MorganStanley SmithBarney

Ref: 00005805 00043194

## Reserved Client Statement 2010 Year End Summary

THE HANDLEY FOUNDATION  
Account Number 415-30413-16 050

Page 8 of 12

### Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000300	1	VANGUARD BD INDEX FD INC TOTAL BD MARKET ETF Morgan Stanley SmithBarney LLC acted as your agent	08/13/09	07/23/10	\$ 81.57	\$ 78.00		\$ 3.57
125000320	118	VANGUARD EUROPE PACIFIC ETF Morgan Stanley SmithBarney LLC acted as your agent	06/04/10	07/23/10	3,772.39	3,534.45		237.94
125000330	127	VANGUARD EUROPE PACIFIC ETF Morgan Stanley SmithBarney LLC acted as your agent	06/04/10	11/19/10	4,574.49	3,804.03		770.46
125000340	123	VANGUARD EMERGING MARKETS ETF Morgan Stanley SmithBarney LLC acted as your agent	08/13/09	07/23/10	5,052.75	4,392.91		659.84
125000370	276	VANGUARD INTL EQUITY INDEX FD VANGUARD PACIFIC ETF Morgan Stanley SmithBarney LLC acted as your agent	08/13/09 08/21/09	06/04/10	13,239.49 6,427.87	13,941.92 6,832.66		(702.43) (404.79)
125000380	740	VANGUARD INTL EQUITY INDEX FD VANGUARD EUROPEAN ETF Morgan Stanley SmithBarney LLC acted as your agent	08/13/09	06/04/10	29,947.44	33,941.06		(3,993.62)
125000390	180	VANGUARD REIT ETF Morgan Stanley SmithBarney LLC acted as your agent	06/21/09	05/11/10	9,524.53	6,949.00		2,575.53
125000400	719	VANGUARD REIT ETF Morgan Stanley SmithBarney LLC acted as your agent	08/21/09	06/04/10	34,238.20	27,757.41		6,480.79
<b>Total</b>					<b>\$ 371,808.13</b>	<b>\$ 345,051.79</b>	<b>(\$ 5,100.84)</b>	<b>\$ 31,857.18</b>



# MorganStanley SmithBarney

Ref: 00005805 00043195

## Reserved Client Statement 2010 Year End Summary

Page 9 of 12

THE HANDLEY FOUNDATION  
Account Number 415-30413-16 050

### Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000050	4	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/19/10	\$ 168.23	\$ 132.35		\$ 35.88
125000060	12	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	511.33	397.06		114.27
125000090	33	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/19/10	1,745.50	1,320.22		425.28
125000100	27	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	1,462.60	1,080.18		382.42
125000120	34	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	2,082.19	1,791.34		290.85
125000130	99	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/19/10	5,398.37	4,371.94		1,026.43
125000140	95	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	5,250.67	4,195.29		1,055.38
125000150	73	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	Unavailable	05/11/10	4,844.92	4,014.24		830.65



# MorganStanley SmithBarney

Ref#: 00005805 00043196

## Reserved Client Statement 2010 Year End Summary

Page 10 of 12

### THE HANDLEY FOUNDATION

Account Number 415-30413-16 050

#### Details of Long Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000160	171	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	Unavailable	06/04/10	\$ 10,331.39	9,403.29		928.10
125000170	5	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/21/09	11/19/10	327.41	274.95		52.46
125000180	10	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	668.69	549.90		118.79
125000200	12	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/19/10	959.95	735.93		224.02
125000210	10	ISHARES BD INDEX FD INC TOTAL BD MARKET ETF MorganStanley SmithBarney LLC acted as your agent	08/13/09	11/24/10	822.30	613.27		209.03
125000310	29	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent In this transaction.	08/13/09	11/19/10	2,367.28	2,261.86		105.42
125000350	121	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent In this transaction.	08/13/09	11/24/10	5,645.86	4,321.48		1,324.38
125000360	31	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent In this transaction.	08/13/09	11/24/10	1,444.63	1,107.16		337.47
<b>Total</b>					<b>\$ 44,031.32</b>	<b>\$ 23,152.83</b>		<b>\$ 5,702.08</b>
					+ 13414.56			+ 1758.65
								<b>-\$ 460.73</b>

R The basis for this tax lot has been adjusted due to a reclassification of income



**The Handley Foundation, Inc.**  
**Form 990 PF 2010**  
**Part XV, Line 3**

**The Handley Foundation Contributions-2010**

<b>Date</b>	<b>Ck No.</b>	<b>Charity</b>	<b>Purpose</b>	<b>Amount</b>
01/07/10	1958	Alliance House	Educational	1,000 00
01/22/10	1959	Miami Dolphins Foundation	Educational	500 00
01/30/10	1960	David's House	Medical	150 00
01/30/10	1961	Pat titers in Health	Health	350 00
01/30/10	1962	Pacific Resident Theatre	Arts	350 00
02/11/10	1962	Poets & Writers	Arts	1,000 00
02/11/10	1964	The Metropolitan Museum of Art	Arts	500 00
02/11/10	1965	The New York Society Library	Literary Arts	175 00
02/15/10	1966	American Red Cross	Health	250 00
02/15/10	1967	Montshire Museum of Science	Arts	150 00
02/17/10	1970	Bonnet House	Educational	400 00
02/17/10	1972	The Museum of the City of New York	Arts	350 00
03/23/10	1976	Poets House	Arts	500 00
03/23/10	1977	The Frick Museum	Arts	600 00
04/10/10	1978	Westcoast Black Theatre Troup of Florida	Arts	100 00
04/12/10	1975	PAL Sailor Circus	Arts	200 00
04/12/10	1979	Wisconsin Music Festival	Arts	1,000 00
04/12/10	1981	Wisconsin Art & Nature Center	Arts	250 00
04/28/10	1982	NSBTA	Environmental	165 00
05/04/10	1983	BRLA(Bedford Riding Lanes Assoc )	Environmental	160 00
05/10/10	1957	Summer Music Associates	Arts	60 00
05/11/10	1985	The Women's Fund of NH	Educational	200 00
05/11/10	1986	Northern Stage	Arts	300 00
05/11/10	1987	Utah Symphony & Opera	Arts	1,500 00
05/11/10	1988	Salt Lake Choral Artists	Arts	500 00
05/11/10	1989	University of Utah	Educational	1,000 00
05/11/10	1990	Salt Lake Chamber Music Society	Arts	300 00
05/11/10	1991	Ballet West	Arts	300 00
05/11/10	1992	Moab Music Festival	Arts	300 00
05/11/10	1993	Utah Shakespearean Festival	Arts	300 00
05/11/10	1994	Gina Bachamar Piano Foundation	Arts	200 00
05/11/10	1995	Utah Humanities Council	Humanities	300 00
05/11/10	1996	Red Butte Gardens	Environmental	150 00
05/11/10	1997	Utah Rivers Council	Environmental	150 00
05/11/10	1998	KUED	Arts	300 00
05/11/10	1999	KUER	Arts	200 00
05/11/10	2000	KCPW	Arts	200 00
05/11/10	2001	KBYU-TV	Arts	200 00
05/11/10	2002	KBYU-FM	Arts	300 00
05/11/10	2003	Utah Food Bank	Community Service	200 00
05/11/10	2004	Salvation Army	Community Service	100 00
05/11/10	2005	Doctors Without Borders	Health	300 00
05/11/10	2006	Save Our Canyons	Environmental	700 00
05/11/10	2007	The Nature Conservancy	Environmental	300 00
05/11/10	2008	Equality Utah	Educational	100 00
05/11/10	2009	Family Fellowship	Religious	400.00
05/11/10	2010	Brady Center to Prevent Gun Violence	Educational	200 00
05/11/10	2011	Developments in Literacy	Educational	100 00
05/17/10	2013	Francis Lehman Loeb Art Museum	Arts	2,000 00
06/07/10	2016	Academy of American Poets	Literary Arts	2,500 00
07/12/10	2017	The Metropolitan Opera	Arts	750 00
07/20/10	2018	Landmark Tabernacle (Heidi)	Religious	150 00
07/20/10	2019	Grantham Historical Society	Educational	50 00
07/26/10	2020	Stanford University	Educational	100 00
07/28/10	2021	Ft Lauderdale Historical Society	Educational	2,000 00

## The Handley Foundation Contributions-2010

<u>Date</u>	<u>Ck No.</u>	<u>Charity</u>	<u>Purpose</u>	<u>Amount</u>
07/28/10	2022	Loyola University	Educational	3,000 00
07/29/10	2023	The Millbrook Poetry Society	Arts	100 00
07/31/10	2024	Landmark Tabernacle (Scott)	Religious	100 00
08/04/10	2025	New London Barn Playhouse	Arts	250 00
08/04/10	2027	The Juilliard School	Educational	400 00
08/09/10	2028	George W Bush Presidential Center	Political	25 00
08/12/10	2029	Breathe NH	Medical	50 00
08/12/10	2030	High Horses Therapeutic Riding Program	Arts	50 00
08/19/10	2031	Stanford - GSB	Educational	1,000 00
09/15/10	2033	Metropolitan Opera	Arts	1,200 00
09/22/10	2034	Lucia Albanese Puccini Foundation	Educational	50 00
09/23/10	2035	Los Angeles County Museum of Art	Arts	200 00
09/23/10	2036	Utah State University	Educational	300 00
09/24/10	2037	UIPL	Environmental	1,150 00
11/03/10	2038	Kansas Food Bank	Community Service	200 00
11/15/10	2039	The Pushcart Prize Fellowship Inc	Educational	250 00
11/15/10	2040	Foreign Policy Association	Political	250 00
11/15/10	2041	Center for Contemporary Opera	Arts	500 00
11/22/10	2042	Bonnet House Museum	Arts	125 00
11/22/10	2044	Cate School	Educational	100 00
11/22/10	2044	North Shore Country Day School	Educational	100 00
11/22/10	2045	LYC Sailing Foundation	Educational	500 00
11/22/10	2046	Ft Lauderdale Children's Theatre	Arts	100 00
11/22/10	2048	Jack & Jill Children's Center	Educational	250 00
11/22/10	2049	Mormon History Association (MHA)	Religious	250 00
11/29/10	2050	Academy of American Poets	Arts	4,500 00
12/13/10	2051	Spaulding Youth Center	Educational	5,000 00
12/20/10	2068	Broward Library Foundation	Educational	1,000 00
12/22/10	2053	P E N	Arts	100 00
12/24/10	2069	Ft Lauderdale Museum of Art	Arts	1,000 00
12/24/10	2070	Granite Educational Fund	Educational	300 00
12/26/10	2055	Classiscopia	Arts	250 00
12/26/10	2056	NH Public Radio	Arts	100 00
12/26/10	2057	New London Hospital	Medical	250 00
12/26/10	2058	Habitat for Humanity	Community Service	100 00
12/26/10	2059	NHPTV	Arts	50 00
12/26/10	2060	Listen	Community Service	250 00
12/26/10	2061	Claremont Sout Kitchen	Community Service	100 00
12/26/10	2062	VT Public Television	Arts	50 00
12/26/10	2063	Lebanon Opera House	Arts	150 00
12/26/10	2064	Sarasota Camera Club	Arts	200 00
12/26/10	2065	Opera North	Arts	200 00
12/26/10	2066	Van Wezel	Arts	100 00
12/26/10	2067	University of Delaware	Educational	100 00
				<b>\$49,160.00</b>

**Total Charitable Contributions**

# Morgan Stanley SmithBarney

Ref: 00008751 00066692

## Reserved Client Statement

December 1 - December 31, 2010

Page 3 of 8

### Exchange traded & closed end funds

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain closed-end funds. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. CIRA closed-end fund recommendations include an Investment rating and a risk rating. The Investment Rating code (1,2,3) is based upon CIRA's expectation of the security's performance relative to its peer group of closed-end funds. The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure. Please refer to the end of this statement for a guide describing CIRA ratings.

Closed end investment companies are grouped below by portfolio designations. Gain/Loss is provided to assist in tax preparation. It is not intended to calculate investment returns or performance.

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain exchange-traded funds. Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes. All research ratings represent the "opinions" of Consulting Group Research and are not representations or guarantees of performance.

### THE HANDLEY FOUNDATION

Account number 415-30413-16 050

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
185	ISHARES RUSSELL MIDCAP VALUE INDEX FD	IWS	08/13/09	\$ 6,121.28	\$ 33,088	\$ 45.01	\$ 8,326.85	\$ 2,205.57 LT		
187	Equity portfolio Rating: CG RESEARCH : AL		08/21/09	6,314.99	33.77	45.01	8,416.87	2,101.88 LT		
372			12,436.27	33.431		16,743.72	4,307.45	1.95	326.62	
248	ISHARES RUSSELL MIDCAP GROWTH INDEX FD	IWP	08/13/09	9,921.63	40.006	56.61	14,039.28	4,117.65 LT		
159	Equity portfolio Rating: CG RESEARCH : AL		08/21/09	6,463.35	40.65	56.61	9,000.99	2,537.64 LT		
179			07/23/10	8,275.17	46.23	56.61	10,133.19	1,858.02 ST		
586			24,660.15	42.082		33,173.46	8,513.31	.84	280.11	
1,072	ISHARES RUSSELL 1000 VALUE IND FUND	IWD	08/13/09	56,480.04	52.666	64.87	69,540.64	13,060.60 LT		
733	Equity portfolio Rating: CG RESEARCH : AL		06/04/10	41,726.10	56.925	64.87	47,549.71	5,823.61 ST		
9			11/19/10	550.77	61.196	64.87	583.83	33.06 ST		
1,814			98,756.91	54.442		117,674.18	18,917.27	1.976	2,325.55	
1,357	ISHARES RUSSELL 1000 GROWTH INDEX FUND	IWF	08/13/09	59,926.48	44.161	57.26	77,701.82	17,775.34 LT		
979	Equity portfolio Rating: CG RESEARCH : AL		06/04/10	47,588.70	48.699	57.26	56,057.54	8,488.84 ST		
538			07/23/10	26,226.85	48.748	57.26	30,805.88	4,579.03 ST		
2,874			133,742.03	48.535		164,565.24	30,823.21	1.271	2,082.27	
219	ISHARES TR RUSSELL 2000 VALUE INDEX FUND	IWN	08/21/09	12,042.81	54.99	71.09	15,568.71	3,525.90 LT		
18	Equity portfolio Rating: CG RESEARCH : AL		07/23/10	1,061.95	56.997	71.09	1,279.62	217.67 ST		
237			13,104.76	55.294		16,848.33	3,743.57	1.628	274.45	
78	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND	IWO	08/13/09	4,783.55	61.327	87.42	6,818.76	2,035.21 LT		
103	Equity portfolio Rating: CG RESEARCH : AL		08/21/09	6,431.32	62.44	87.42	9,004.26	2,572.94 LT		
12			07/23/10	836.88	69.74	87.42	1,049.04	212.16 ST		
193			12,051.75	62.444		16,872.06	4,880.31	.662	111.75	



# Morgan Stanley SmithBarney

Ref: 00008751 00066693

## Reserved Client Statement

December 1 - December 31, 2010

Page 4 of 8

### THE HANDLEY FOUNDATION

Account number 415-30413-16 050

#### Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Average % Anticipated Income (annualized)
2,674	VANGUARD EUROPE PACIFIC ETF Equity portfolio Rating: CG RESEARCH : AL	VEA	06/04/10	\$ 80,094.33	\$ 29.953	\$ 36.15	\$ 96,665.10	\$ 16,570.77 ST	2.481 %	\$ 2,398.58
1,671	VANGUARD EMERGING MARKETS ETF Equity portfolio Rating: CG RESEARCH : AL	VWO	08/13/09	59,679.26	35.714	48.146	80,451.97	20,772.71 LT		
382			08/21/09	13,725.26	35.93	48.146	18,391.77	4,666.51 LT		
328			06/04/10	12,473.81	38.029	48.146	15,791.89	3,318.08 ST		
2,381				85,878.33	36.068		114,635.63	28,757.30	1.692	1,940.52
363	ISHARES JP MORGAN EM BOND FD Taxable bond portfolio Rating: CG RESEARCH : AL	EMB	06/04/10	37,062.70	102.101	107.08	38,870.04	1,807.34 ST	5.149	2,001.58
1,321	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF Taxable bond portfolio Rating: CG RESEARCH : AL	JNK	06/04/10	49,418.61	37.41	39.71	52,456.91	3,038.30 ST		
69			11/19/10	2,778.63	40.27	39.71	2,739.99	(38.64) ST		
1,390				52,197.24	37.552		55,196.90	2,999.66	9.345	5,158.29
397	SPDR LEHMAN INTL TREASURY BOND FUND Taxable bond portfolio Rating: CG RESEARCH : AL	BWX	06/04/10	20,957.59	52.759	58.46	23,208.62	2,251.03 ST		
9			11/19/10	534.01	59.334	58.46	526.14	(7.87) ST		
406				21,491.60	52.935		23,734.76	2,243.16	.908	215.59
979	VANGUARD BD INDEX FD INC TOTAL BD MARKET ETF Taxable bond portfolio Rating: CG RESEARCH : AL	BND	08/13/09	76,357.40	77.985	80.27	78,584.33	2,226.93 LT		
283			11/19/10	23,157.75	81.829	80.27	22,716.41	(441.34) ST		
1,262				99,515.15	78.855		101,300.74	1,785.59	3.479	3,524.77
	Total closed end fund equity allocation						\$ 577,177.72			
	Total closed end fund taxable bond allocation						\$ 219,102.44			
	Total exchange traded funds and closed end funds						\$ 756,280.16	\$ 47,690.06 ST	2.35	
								\$ 77,588.88 LT		\$ 20,650.08
	Total portfolio value						\$ 89,163.65	\$ 47,690.06 ST	2.55	
								\$ 77,588.88 LT		\$ 20,653.81