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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**

OMB No 1545-0052

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

ROY AND LEONA NELSON FOUNDATION

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

BOX 965

City or town, state, and ZIP code

SPOKANE

WA

99210-0965

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) ▶ \$ 2,213,305

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

A Employer identification number

71-0899453

B Telephone number (see page 10 of the instructions)

509 326 2194

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 ▶ ☐**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	59	59		
4 Dividends and interest from securities	55,589	55,589		
5 a Gross rents		0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	3,635			
b Gross sales price for all assets on line 6a	50,000			
7 Capital gain net income (from Part IV, line 2)		3,635		
8 Net short-term capital gain		0		
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	0	0	0	
12 Total. Add lines 1 through 11	59,283	59,283	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	6,500			6,500
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	2,000	0	0	2,000
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (FILING FEES)	35	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	817	0	0	817
24 Total operating and administrative expenses. Add lines 13 through 23	9,352	0	0	9,317
25 Contributions, gifts, grants paid	115,000			115,000
26 Total expenses and disbursements. Add lines 24 and 25	124,352	0	0	124,317
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-65,069			
b Net investment income (if negative, enter -0-)		59,283		
c Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2010)

(HTA)

6

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	74,209	6,040	6,040
	3 Accounts receivable			
	Less: allowance for doubtful accounts	0	0	0
	4 Pledges receivable			
	Less: allowance for doubtful accounts	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule)			
	Less: allowance for doubtful accounts	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	100,000	100,000	100,000
	b Investments—corporate stock (attach schedule)	0	0	0
	c Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11 Investments—land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)	0	0	0
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	2,049,704	2,052,804	2,107,265
	14 Land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)	0	0	0
	15 Other assets (describe)	0	0	0
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	2,223,913	2,158,844	2,213,305
Net Assets or Fund Balances	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe)	0	0	
	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	2,223,913	2,158,844	
	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			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
Net Assets or Fund Balances	30 Total net assets or fund balances (see page 17 of the instructions)	2,223,913	2,158,844	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,223,913	2,158,844	

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	2,223,913
2	Enter amount from Part I, line 27a	2	-65,069
3	Other increases not included in line 2 (itemize)	3	0
4	Add lines 1, 2, and 3	4	2,158,844
5	Decreases not included in line 2 (itemize)	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,158,844

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 1,414 sh Capital World Growth & Income Fund	P	1/23/2004	11/19/2010
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 50,000	0	46,365	3,635
b 0	0	0	0
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a 0	0	0	0
b 0	0	0	0
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

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	3,635
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	0

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	130,623	1,870,524	0.069832
2008	121,858	2,233,790	0.054552
2007	129,331	2,589,817	0.049938
2006	118,506	2,383,935	0.049710
2005	123,201	2,271,180	0.054245

2 Total of line 1, column (d)	2	0.278277
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.055655
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	2,077,206
5 Multiply line 4 by line 3	5	115,607
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	593
7 Add lines 5 and 6	7	116,200
8 Enter qualifying distributions from Part XII, line 4 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.	8	124,317

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

1 a 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	593	
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	593	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	593	
6 Credits/Payments				
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	795		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	0		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d	7	795		
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	202		
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11	0		
		202	Refunded	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
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)? <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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____		
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>		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>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a 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? <i>If "No," attach explanation</i>	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 on page 27)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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		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 NA	13	X	
14	The books are in care of DON PETERS Telephone no 509 326 2194 Located at 1436 N Summit Blvd Spokane WA ZIP+4 99201-3034			
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? 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	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1b	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(i)(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? ☐ Yes ☒ No 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 22 of the instructions)	2b	N/A
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	N/A
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

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)? ☐ Yes ☒ No

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? ☐ Yes ☒ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

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
Nancy Harris 604 W 23rd Spokane WA 99203	President 4 00	3,500	0	0
Tom Nelson 159 Rolling Hills Ln Wenatchee WA 98801	Director 1 00	1,000	0	0
Don Peters 1436 N Summit Blvd Spokane WA 99201	Sec-Treas 1 00	1,000	0	0
Neil McKay 717 W Sprague #1600 Spokane WA 99201	Director 1 00	1,000	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 ☐

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		0
		0
		0
		0
		0
		0
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 College scholarships for students residing in Eastern Washington and Northern Idaho. During 2010, the Foundation awarded \$2,000 scholarships to 43 students attending 8 area colleges.	9,317
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	0
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	2,057,470
b	Average of monthly cash balances	1b	51,369
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,108,839
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,108,839
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	31,633
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,077,206
6	Minimum investment return. Enter 5% of line 5	6	103,860

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	103,860
2a	Tax on investment income for 2010 from Part VI, line 5	2a	593
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	593
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	103,267
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	103,267
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	103,267

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	124,317
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	124,317
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	593
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	123,724

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				103,267
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			33,330	
b Total for prior years 20 06 , 20 07 , 20 08				
3 Excess distributions carryover, if any, to 2010				
a From 2005	0			
b From 2006	0			
c From 2007	0			
d From 2008	0			
e From 2009	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 124,317				
a Applied to 2009, but not more than line 2a			33,330	
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				90,987
e Remaining amount distributed out of corpus	0			
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	0			
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				
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				12,280
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)				
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	0			
10 Analysis of line 9				
a Excess from 2006	0			
b Excess from 2007	0			
c Excess from 2008	0			
d Excess from 2009	0			
e Excess from 2010	0			

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>				
COLLEGE SCHOLARSHIPS (see 11-2 to 11-6)				85,000
GRANTS TO CHARITIES (see 11-7 & 11-8)				30,000
Total			▶ 3a	115,000
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
1	Program service revenue					
a			0		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
f			0		0	0
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	59	
4	Dividends and interest from securities			14	55,589	
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	3,635	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a		0		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
12	Subtotal Add columns (b), (d), and (e)		0		59,283	0
13	Total. Add line 12, columns (b), (d), and (e)				13	59,283

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

[illegible]

ROY AND LEONA NELSON FOUNDATION

990PF
2010
71-0899453

Part I, Line 16b ACCOUNTING FEES

Don Peters, CPA

2,000

Preparation of the Foundation's federal tax return

Part I, Line 23 OTHER EXPENSES

a) Dues - Association of Small Foundations

495

b) Office supplies and postage

322

817

Part II, Line 10a INVESTMENTS - U S & STATE OBLIGATIONS:

100,000 U S Treasury bonds 6 1/8% 8/15/29

Book Value Market Value

\$100,000 \$100,000

Part II, Line 13 OTHER INVESTMENTS - MUTUAL FUNDS

7,599 sh Growth Fund of America

200,488 229,790

7,931 sh Washington Mutual Investors Fund

232,014 215,254

6,172 sh Capital World Growth & Income Fund

202,677 220,093

8,503 sh New Perspective Fund

218,799 242,262

21,574 sh American Balanced Fund

381,037 386,603

17,600 sh Income Fund of America

306,946 290,753

21,525 sh Bond Fund of America

251,702 262,387

6,751 sh Smallcap World Fund

259,141 260,123

2,052,804 2,107,265

Recipient	Relation- ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS				
Big Bend Community College Foundation 7662 Chanute St NE Moses Lake WA 98837				(\$12,000)
(1) Brian Perry 811 Lindberg Moses Lake WA 98837	None	NA	College education	2,000
(2) Kathlee n Johnson 4213 Road E-5 NE Moses Lake WA 98837	None	NA	College education	2,000
(3) Rachel Rapp Box 855 Royal City WA 99357	None	NA	College education	2,000
(4) Melinda Martinez 826 E Spruce Othello WA 99344	None	NA	College education	2,000
(5) Elizabeth Bustos 6749 Frenchman Hills Rd W Royal City WA 99357	None	NA	College education	2,000
(6) Jeffery Ramarui 634 Grand Dr Moses Lake WA 98837	None	NA	College education	2,000
Heritage University 3240 Fort Road Toppenish WA 98948				(\$12,000)
(1) Rosa Picazo 610 Chestnut Ave Sunnyside WA 98944	None	NA	College education	2,000
(2) Jocelin Salmeron 300 E 2nd St G-11 Ganger WA 98932	None	NA	College education	2,000
(3) Oscar Murguia 821 N Road 47 Pasco WA 99301	None	NA	College education	2,000
(4) Mireya Vasquez 105 N Date St Toppenish WA 98948	None	NA	College education	2,000
(5) Guadalupe Garibay 1004 N Viall Rd Grandview WA 98944	None	NA	College education	2,000
(6) Patricia Saavedra 402 W Maple # 83 Sunnyside WA 98944	None	NA	College education	2,000

Recipient	Relation- ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)				
Lewis-Clark State College 500 8th Ave Lewiston ID 83501				(\$12,000)
(1) Jennifer Simmons Box 723 Clarkston WA 99403	None	NA	College education	2,000
(2) Kerri Ohse 1003 Mulberry Lane Coeur d'Alene ID 83815	None	NA	College education	2,000
(3) Kyle Daly Box 473 Cottonwood ID 83522	None	NA	College education	2,000
(4) Ryan Daly Box 473 Cottonwood ID 83522	None	NA	College education	2,000
(5) Eric Daly Box 473 Cottonwood ID 83522	None	NA	College education	2,000
(6) Tayler Asplund 1119 19th St Lewiston ID 83501	None	NA	College education	2,000
Intercollegiate College of Nursing				
Box 1495 Spokane WA 99210				(\$10,000)
(1) Monica Ward Box 503 Reardan WA 99029	None	NA	College education	2,000
(2) Pavel (Paul) Nesenchuk 1724 E Tilsley Pl Spokane WA 99207	None	NA	College education	2,000
(3) Elizabeth Wilke Box 63 Marshall WA 99020	None	NA	College education	2,000
(4) Todd Keatts 358 Gould City Mayview Rd Pomeroy WA 99347	None	NA	College education	2,000
(5) Karissa Mielke 29661 Earl Rd E Davenport WA 99122	None	NA	College education	2,000

Recipient	Relation- ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)				
Community Colleges of Spokane Foundation (\$10,000)				
Box 6000 MS 1005				
Spokane WA 99217				
(1) Krystal Maple 6923 W Ridgeway Rd Deer Park WA 99006	None	NA	College education	2,000
(2) Carli Herman 711 N Oak St Colfax WA 99111	None	NA	College education	2,000
(3) Hailey Beal 4439-C E Deer Lake Rd Loon Lake WA 99148	None	NA	College education	2,000
(4) Christian Lagrou 16724 W Laurel Dr Medical Lake WA 99022	None	NA	College education	2,000
(5) Zarina Kozlova 318 E Dalton Spokane WA 99207	None	NA	College education	2,000

WSU Tri-Cities
2710 University Drive - Room 269B
Richland WA 99354

Recipient	Relation- ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)				
North Idaho College Foundation 1000 W Garden Ave Coeur d'Alene ID 83814				(\$12,000)
(1) Lisa Canite Box 1763 Hayden ID 83835	None	NA	College education	2,000
(2) Sara Salfeld Box 13 Dover ID 83825	None	NA	College education	2,000
(3) John Raines Box 373 Careywood ID 83809	None	NA	College education	2,000
(4) Katelyn Larson 17980 W Julia Dr Hauser ID 83854	None	NA	College education	2,000
(5) Kyle Knapp 1001 Wallace Ave Coeur d'Alene ID 83814	None	NA	College education	2,000
(6) Joshua Wallace 6550 W Kamloops Dr Rathdrum ID 83858	None	NA	College education	2,000
Wenatchee Valley College 1300 5th St Wenatchee WA 98801				(\$4,000)
(1) Yesenia Ochoa 1303 N Devon Ave East Wenatchee WA 98802	None	NA	College education	2,000
(2) Myrna Simpson Box 482 Manson WA 98831	None	NA	College education	2,000

Recipient	Relation- ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)				
Northwest Nazarene University 623 Holly Street Nampa ID 83686				(\$13,000)
(1) Bruno Bennet Box 187 Harrison ID 83833	None	NA	College education	2,000
(2) Ashley Koch 8024 N Austin Rd Spokane WA 99208	None	NA	College education	1,000
(3) Kendra Loeber 21 Joy Cove Lane Grangeville ID 83530	None	NA	College education	2,000
(4) Carmen Hall 1009 N Park St Colfax WA 99111	None	NA	College education	2,000
(5) Jennifer Conner Box 973 Kittitas WA 98934	None	NA	College education	2,000
(6) Monique Vachon 179 McDonald Creek Rd Blanchard ID 83804	None	NA	College education	2,000
(7) Benjamin Doeble 106 N 91st Yakima WA 98908	None	NA	College education	2,000

Recipient	Relation- ship	Status	Purpose	Amount
CHARITIES				
Spokane Scholars Foundation Box 1278 Spokane WA 99210	NA	Public	College scholarships & academic medals	1,000
Spokane Parks Foundation 315 W Mission # 26 Spokane WA 99201	NA	Public	Low-income summer swimming fees	1,000
Youth for Christ Box 10176 Spokane WA 99209	NA	Public	New facility - Hillyard Youth Center	7,500
Hands of Hope Northwest, Inc Box 161 Nampa ID 83653	NA	Public	Used medical eqpt to hospitals & clinics in developing countries	1,500
National Alliance for Mental Illness - CDA Box 3567 Coeur d'Alene ID 83816	NA	Public	Programs for the mentally ill -- alter- native court program	1,500
North Central WA Jail Chaplain Ministry Box 480 Wenatchee WA 98801	NA	Public	Services for jail inmates & releasees	2,500
Wenatchee First Assembly Church/ Royal Family Kids Camps 3000 W MacArthur # 412 Santa Ana CA 92704	NA	Public	Camps for abused & neglected children	3,000
Community Minded Enterprises 25 W Main # 310 Spokane WA 99201	NA	Public	Healing Hands mission	2,500
City Gate Fellowship 170 S Madison Spokane WA 99201	NA	Public	Meals & clothers for the homeless	1,000
Vanessa Behan Crisis Nursery 1004 E 8th Spokane WA 99202	NA	Public	Crisis nursery	2,500

Recipient	Relation- ship	Status	Purpose	Amount
CHARITIES (continued)				
Salvation Army 222 E Indiana Spokane WA 99207	NA	Public	Help for the needy	1,000
Second Harvest Food Bank 1234 E Front Spokane WA 99202	NA	Public	Food for the needy	2,500
Chelan Teen Center Box 3051 Chelan WA 98816	NA	Public	Tutoring and teen activities	250
Community Center for Youth Box 2291 Walla Walla WA 99362	NA	Public	Teen activities and classes	250
Women's Resource Center of NCW Box 2051 Wenatchee WA 98801	NA	Public	Housing & support for the homeless	2,000