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Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No 1545-0052

2010

Department of the Treasury

Internal Revenue Service

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

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

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation

GLADYS E KNOWLES CHARITABLE TRUST 50315420

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

Room/suite

P O BOX 3168

City or town, state, and ZIP code

PORTLAND, OR 97208

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

☐ Other (specify)

\$ 2,219,759

(Part I, column (d) must be on cash basis.)

A Employer identification number

81-0423029

B Telephone number (see page 10 of the instructions)

(503) 275-4327

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 <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.	59,809	59,809		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	3,818			
	b Gross sales price for all assets on line 6a _____ 427,074				
	7 Capital gain net income (from Part IV, line 2) . . .		3,818		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	63,627	63,627		
	13 Compensation of officers, directors, trustees, etc	25,688	23,119		2,569
	14 Other employee salaries and wages		0	0	0
	15 Pension plans, employee benefits		0	0	
	16a Legal fees (attach schedule)				0
	b Accounting fees (attach schedule)	2,000	0	0	2,000
	c Other professional fees (attach schedule)				0
	17 Interest				0
	18 Taxes (attach schedule) (see page 14 of the instructions)	200			0
	19 Depreciation (attach schedule) and depletion . . .	0	0		
	20 Occupancy				
	21 Travel, conferences, and meetings		0	0	
	22 Printing and publications		0	0	
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	27,888	23,119	0	4,569
	25 Contributions, gifts, grants paid	144,876			144,876
	26 Total expenses and disbursements. Add lines 24 and 25	172,764	23,119	0	149,445
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-109,137			
	b Net investment income (if negative, enter -0-)		40,508		
	c Adjusted net income (if negative, enter -0-)			0	

Part II



Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1Cash—non-interest-bearing		554	554
	2Savings and temporary cash investments	4,714	7,169	7,169
	3Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____		0	0
	4Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5Grants receivable			
	6Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____ 0			
	8Inventories for sale or use			
	9Prepaid expenses and deferred charges			
	10aInvestments—U S and state government obligations (attach schedule)	326,691	 64,327	69,386
	bInvestments—corporate stock (attach schedule)	1,369,017	 1,394,121	1,668,375
	cInvestments—corporate bonds (attach schedule).	334,462	 459,535	474,275
	11Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12Investments—mortgage loans			
	13Investments—other (attach schedule)			0
	14Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	15Other assets (describe ▶ _____)			
	16Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,034,884	1,925,706	2,219,759
Liabilities	17Accounts payable and accrued expenses			
	18Grants payable			
	19Deferred revenue			
	20Loans from officers, directors, trustees, and other disqualified persons			
	21Mortgages and other notes payable (attach schedule)			
	22Other liabilities (describe ▶ _____)			
	23Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24Unrestricted			
	25Temporarily restricted			
	26Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27Capital stock, trust principal, or current funds	2,034,884	1,925,706	
	28Paid-in or capital surplus, or land, bldg , and equipment fund			
	29Retained earnings, accumulated income, endowment, or other funds			
	30Total net assets or fund balances (see page 17 of the instructions)	2,034,884	1,925,706	
	31Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,034,884	1,925,706	

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	2,034,884
2	Enter amount from Part I, line 27a	2	-109,137
3	Other increases not included in line 2 (itemize) ▶  _____	3	694
4	Add lines 1, 2, and 3	4	1,926,441
5	Decreases not included in line 2 (itemize) ▶  _____	5	735
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,925,706

Part IV

Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	See Additional Data Table		
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a	See Additional Data Table		
b			
c			
d			
e			

2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	3,818
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

Part V

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	166,917	2,007,682	0 083139
2008	167,818	2,435,153	0 068915
2007	157,697	2,842,945	0 05547
2006	91,064	2,846,627	0 03199
2005	119,924	2,584,701	0 046398

2	Total of line 1, column (d).	2	0 285911
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 057182
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	2,096,498
5	Multiply line 4 by line 3.	5	119,882
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	405
7	Add lines 5 and 6.	7	120,287
8	Enter qualifying distributions from Part XII, line 4.	8	149,445

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)			
1aExempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
bDomestic 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		1	405
cAll other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3Add lines 1 and 2.		3	405
4Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0
5Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	405
6Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	388
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	
7Total credits and payments Add lines 6a through 6d.		7	388
8Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		8	0
9Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	17
10Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	
11Enter the amount of line 10 to be Credited to 2011 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>		11	0

Part VII-AStatements Regarding Activities			
1aDuring 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?			YesNo
bDid it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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.		1a1b	NoNo
cDid the foundation file Form 1120-POL for this year?		1c	No
dEnter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ (2) On foundation managers <input checked="" type="checkbox"/> \$			
eEnter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$			
2Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		2	No
3Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		3	No
4aDid the foundation have unrelated business gross income of \$1,000 or more during the year?		4a	No
bIf "Yes," has it filed a tax return on Form 990-T for this year?		4b	
5Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		5	No
6Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		6	Yes
7Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		7	Yes
8aEnter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> MT			
bIf the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .		8b	Yes
9Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		9	No
10Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		10	No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address				
14	The books are in care of US BANK Telephone no (503) 275-4327 Located at 555 SW OAK PORTLAND OR ZIP+4 97204			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the year.	15		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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).			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	1b		No
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years 20 , 20 , 20 , 20			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).	2b		No
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?			
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		No

Part VII-B

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	<input checked="" type="checkbox"/>	5b	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>		6b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

Part VIII

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
USBANK PO BOX 3168 PORTLAND,OR 97208	TRUSTEE 1	27,688		
2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
Total number of other employees paid over \$50,000.				0

Part VIII

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services.		0

Part IX-A

Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	

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	2,113,885
b	Average of monthly cash balances.	1b	14,539
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	2,128,424
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	2,128,424
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	31,926
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,096,498
6	Minimum investment return. Enter 5% of line 5.	6	104,825

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	104,825
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	405
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	405
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	104,420
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	104,420
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	104,420

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	149,445
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
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	149,445
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	405
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	149,040
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				104,420
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.			0	
b Total for prior years 2008 , 20__ , 20__		0		
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.				46,368
f Total of lines 3a through e.	46,368			
4 Qualifying distributions for 2010 from Part XII, line 4 ➤ \$ 149,445				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .	0			
d Applied to 2010 distributable amount.				104,420
e Remaining amount distributed out of corpus	45,025			
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	91,393			
b Prior years' undistributed income Subtract line 4b from line 2b.		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	91,393			
10 Analysis of line 9				
a Excess from 2006.				0
b Excess from 2007.				0
c Excess from 2008.				0
d Excess from 2009.				46,368
e Excess from 2010.				45,025

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

1a

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

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test—enter (1) Value of all assets (2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	"Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . . .					
c	"Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). (3) Largest amount of support from an exempt organization (4) Gross investment income					

Part XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1

Information Regarding Foundation Managers:

a

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

b

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

2

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

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a

The name, address, and telephone number of the person to whom applications should be addressed

b

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

c

Any submission deadlines

d

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

Form 990-PF (2010)

Part XV

Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	144,876
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	59,809	
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	3,818	
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). .				63,627	
13 Total. Add line 12, columns (b), (d), and (e).					63,627

[illegible]

Part XVII

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

1

Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a

Transfers from the reporting foundation to a noncharitable exempt organization of

1

Cash.

1a(1)

No

2

Other assets.

1a(2)

No

b

Other transactions

1

Sales of assets to a noncharitable exempt organization.

1b(1)

No

2

Purchases of assets from a noncharitable exempt organization.

1b(2)

No

3

Rental of facilities, equipment, or other assets.

1b(3)

No

4

Reimbursement arrangements.

1b(4)

No

5

Loans or loan guarantees.

1b(5)

No

6

Performance of services or membership or fundraising solicitations.

1b(6)

No

c

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

1c

No

d

If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

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

2a

Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐

Yes

☒

No

b

If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
--------------------------	--------------------------	---------------------------------

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

2011-03-31

Date

Title

Paid Preparer's Use Only

Preparer's Signature

Firm's name

Firm's address

Date

Firm's EIN

Phone no

Check if self-employed

PTIN

Form 990-PF (2010)

Additional Data

Software ID:

Software Version:

EIN: 81-0423029

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420

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

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
A	AOL TIME WARNER INC			2010-01-19
B	50 ABBOTT LABS		2009-05-14	2010-12-27
C	370 BRUNSWICK CORP		2010-03-24	2010-12-27
D	CARDINAL HEALTH INC			2010-11-16
E	600 COMCAST CORP CL A		2007-02-02	2010-03-24
F	200 CONOCOPHILLIPS		2004-05-26	2010-03-24
G	ENRON CORP			2010-01-06
H	50000 F F C B DEB 4 730% 9/10/19		2009-08-25	2010-09-10
I	60000 F H L B DEB 3 625% 12/17/10		2008-03-19	2010-12-17
J	50000 F H L B M T N 3 330% 7/01/14		2009-06-02	2010-07-28
K	50000 F N M A M T N 4 125% 5/15/10		2008-06-11	2010-05-15
L	50000 F N M A M T N 4 300% 10/29/19		2009-10-21	2010-10-29
M	1326 26 FIDELITY ADV DIVERSIFIED INTL CL A		2005-07-13	2010-09-30
N	992 813 NUVEEN INFLATION PRO SEC CL Y		2006-10-16	2010-03-24
O	1994 018 NUVEEN INFLATION PRO SEC CL Y		2007-10-02	2010-03-29
P	0278 FRONTIER COMMUNICATIONS CORP		2001-03-01	2010-07-13
Q	12 002 FRONTIER COMMUNICATIONS CORP		2009-11-06	2010-08-12
R	155 998 FRONTIER COMMUNICATIONS CORP		2009-05-14	2010-08-12
S	50 JOHNSON & JOHNSON		2005-07-13	2010-12-27
T	MERRILL LYNCH & CO INC			2010-11-30
U	220 MICROSOFT CORP		2006-08-10	2010-01-26
V	NORTEL NETWORKS CORP			2010-03-12
W	50 PRAXAIR INC		2009-05-14	2010-12-27
X	715 STAPLES INC COMMON STOCK		2006-01-24	2010-02-10
Y	255 WAL MART STORES INC		2007-01-18	2010-02-10
Z	220 WAL MART STORES INC		2006-04-04	2010-03-24
AA	25000 WAL MART STORES 4 125% 7/01/10		2008-01-16	2010-07-01
AB	CLASS ACTION PROCEEDS			2010-04-02
AC	TYCO INTERNATIONAL LTD			2010-09-09

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

(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
A	42			42
B	2,378		2,250	128
C	7,030		5,938	1,092
D	55			55
E	10,824		15,078	-4,254
F	10,485		7,360	3,125
G	724			724
H	50,000		50,000	
I	60,000		61,846	-1,846
J	50,000		50,000	
K	50,000		50,705	-705
L	50,000		50,000	
M	19,907		25,318	-5,411
N	9,968		9,630	338
O	20,000		19,422	578
P				
Q	91		91	
R	1,178		1,414	-236
S	3,100		3,228	-128
T	151			151
U	6,523		5,627	896
V	19			19
W	4,760		3,368	1,392
X	16,911		16,084	827
Y	13,591		12,847	744
Z	12,224		7,641	4,583
AA	25,000		25,409	-409
AB	29			29
AC	75			75

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

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				42
B				128
C				1,092
D				55
E				-4,254
F				3,125
G				724
H				
I				-1,846
J				
K				-705
L				
M				-5,411
N				338
O				578
P				
Q				
R				-236
S				-128
T				151
U				896
V				19
W				1,392
X				827
Y				744
Z				4,583
AA				-409
AB				29
AC				75

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
INT'L PEACE SCHOLARSHIP OF PEO SISTERHOOD 3700 GRAND AVENUE DES MOINES,IA 50312	NONE	PRIVATE	SCHOLARSHIP OF SISTERHOOD	11,590
ROCKY MOUNTAIN COLLEGE 1511 POLY DRIVE BILLINGS,MT 59102	NONE	SCHOOL	GENERAL SUPPORT	11,590
ST LUKES EPISCOPAL CHURCH 119 NORTH 33RD STREET BILLINGS,MT 59101	NONE	CHURCH	GENERAL SUPPORT	36,219
HERITAGE ACRES NURSING HOME 200 NORTH MITCHELL HARDIN,MT 59034	NONE	PRIVATE	GENERAL SUPPORT	36,219
YELLOWSTONE BOYS & GIRLS RANCH FDN GARY HICKLE BILLINGS,MT 59102	NONE	PUBLIC	GENERAL SUPPORT	13,039
BIG HORN CNTY MEMORIAL HOSP ATTN JONI KUNKEL 17 NORTH MILES AVE HARDIN,MT 59034	NONE	PUBLIC	GENERAL SUPPORT	36,219
Total			3a	144,876

TY 2010 Accounting Fees Schedule

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420

EIN: 81-0423029

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREPARATION FEES	2,000			2,000

**TY 2010 Investments Corporate
Bonds Schedule****Name:** GLADYS E KNOWLES CHARITABLE TRUST 50315420**EIN:** 81-0423029

Name of Bond	End of Year Book Value	End of Year Fair Market Value
WALMART STORES 4.125		
CITIGROUP 6.500	50,868	50,102
BEAR STEARNS 5.500	35,504	36,072
MERRILL LYNCH & CO 5.450	25,030	26,370
PEPSICO 4.650	25,798	26,920
MORGAN STANLEY 5.300	50,700	53,281
PRUDENTIAL FINL 4.500	25,180	26,512
BAXTER INTERNATIONAL 4.000	26,210	26,610
BARCLAYS BANK 3.250	50,000	52,037
BOEING CO 3.750	19,763	20,926
AMERICAN CENTY INTL BOND	50,000	47,985
FAM HIGH INCOME BOND	49,000	51,379
NUVEEN INFLATION PRO SEC	51,482	56,081

**TY 2010 Investments Corporate
Stock Schedule**

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420
EIN: 81-0423029

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ALLSTATE CORP	21,433	15,940
AMGEN INC	23,644	20,588
APACHE CORP	9,259	23,846
APPLE INC	8,740	43,546
BANK OF AMERICA	9,421	9,338
CISCO SYS	12,828	12,138
COMCAST CORP	5,029	7,690
CONOCOPHILLIPS	11,514	13,620
ECOLAB	7,654	16,639
EXELON CORPORATION	24,156	18,738
EXXON MOBIL	8,606	30,345
GENERAL ELEC CO	15,294	25,606
GOOGLE INC	11,478	16,631
ILLINOIS TOOL WKS	13,794	17,355
INTEL CORP	10,342	18,927
J P MORGAN CHASE CO	24,089	25,240
JOHNSON & JOHNSON	19,931	23,503
MEDTRONIC	20,859	14,836
MICROSOFT CORP	7,026	24,282
ORACLE CORPORATION	15,488	26,605
PEPSICO INC	23,211	29,399
PFIZER INC	29,762	16,197
PRAXAIR INC	5,806	14,321
PROCTER & GAMBLE	21,408	28,949
QUALCOMM	5,995	17,322
STAPLES		
STATE STR CORP	13,146	14,597
TARGET CORP	9,502	1,809
UNITED PARCEL SERVICE	16,178	19,597
UNITED TECHNOLOGIES	13,550	22,829

Name of Stock	End of Year Book Value	End of Year Fair Market Value
VERIZON COMMUNICATIONS	22,963	25,046
WAL MART STORES	5,230	5,932
WELLS FARGO & CO	20,355	23,243
3M CO	13,167	17,260
SCHLUMBERGER LTD	15,536	22,963
BARCLAYS IPATH		
FIDELITY ADV DIVERSIFIED	153,510	153,204
FAM INFLATION PRO SEC		
FAM REAL ESTATE	91,045	133,037
I SHARES MSCI EAFE	115,341	93,152
ISHARES MSCI EMERGING MKTS	66,564	86,804
ABBOTT LABORATORIES	8,883	9,582
COACH INC	7,312	11,062
GOLDMAN SACHS	13,671	13,789
MASTERCARD INC	7,293	7,172
MCDONALDS CORP	12,704	17,271
SCHWAB CHARLES	10,701	9,838
NUVEEN MID CAP SELECT FUND C	181,932	225,500
ISHARES S&P PREF STK	50,396	54,320
ABERCROMBIE & FITCH CO	5,782	7,492
BERKSHIRE HATHAWAY INC	3,973	4,006
BEST BUY CO INC	7,144	6,858
CHEVRON CORPORATION	9,017	9,125
CLIFFS NATURAL RESOURCES INC	8,656	9,361
DISNEY WALT CO	7,224	9,190
E BAY INC	6,093	6,262
FREEPORT MCMORAN COPPER GOLD	6,467	10,568
GENERAL MILLS	9,013	9,253
HEWLETT PACKARD	7,508	6,315
MEDCO HEALTH SOLUTIONS	6,143	6,127

Name of Stock	End of Year Book Value	End of Year Fair Market Value
STARBUCKS	8,080	8,033
IPATH DOW JONES UBS COMMODITY	93,275	96,177

TY 2010 Investments Government Obligations Schedule

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420

EIN: 81-0423029

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

64,327

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

69,386

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

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

TY 2010 Other Decreases Schedule

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420

EIN: 81-0423029

Description	Amount
RECEIVED VS REPORTED SECURITIES	735

TY 2010 Other Increases Schedule**Name:** GLADYS E KNOWLES CHARITABLE TRUST 50315420**EIN:** 81-0423029

Description	Amount
RECEIVED VS REPORTED SECURITIES PRIOR YR	555
ACCRUED INTEREST RECEIVED	139

TY 2010 Taxes Schedule

Name: GLADYS E KNOWLES CHARITABLE TRUST 50315420

EIN: 81-0423029

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ESTIMATES PAID	200	0		0