



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

, 2010, and ending

G Check all that apply.

☐ Initial return☐ Initial Return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeGREENSTONE FOUNDATION
1421 N MEADOWWOOD LANE #200
LIBERTY LAKE, WA 99019

A Employer identification number

91-2089416

B Telephone number (see the instructions)

(509) 458-5860

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here. ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization.

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year
(from Part II, column (c), line 16)

\$ 840,786.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

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

Part I Analysis of Revenue and

Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE	1	Contributions, gifts, grants, etc., received (att sch)				
	2	Cl <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	78.	78.	78.	
	4	Dividends and interest from securities	21,962.	21,962.	21,962.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	29,303.			
	b	Gross sales price for all assets on line 6a	325,376.			
	7	Capital gain net income (from Part IV, line 2)		29,303.		
	8	Net short-term capital			6,133.	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold					
c	Gross profit/(loss) (att sch).					
11	Other income (attach schedule)					
12	Total. Add lines 1 through 11	51,343.	51,343.	28,173.		
ADMINISTRATIVE OPERATING AND EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach sch) SEE ST 1	1,265.	1,265.		
	c	Other prof fees (attach sch) SEE ST 2	28.	28.		
	17	Interest				
	18	Taxes (attach schedule)(see instr) SEE STM 3	92.	92.		
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) SEE STATEMENT 4	5,413.	5,403.		
	24	Total operating and administrative expenses. Add lines 13 through 23	6,798.	6,788.		
25	Contributions, gifts, grants paid STMT 5	51,899.			51,899.	
26	Total expenses and disbursements. Add lines 24 and 25	58,697.	6,788.	0.	51,899.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	-7,354.				
b	Net investment income (if negative, enter -0)		44,555.			
c	Adjusted net income (if negative, enter 0)			28,173.		

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	90,851.	97,721.	97,721.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch.)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	274,670.	224,026.	288,732.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)	407,661.	444,081.	454,333.	
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	773,182.	765,828.	840,786.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET FUND ASSETS OR BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	773,182.	765,828.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	773,182.	765,828.	
31 Total liabilities and net assets/fund balances (see the instructions)	773,182.	765,828.		

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	773,182.
2 Enter amount from Part I, line 27a	2	-7,354.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	765,828.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	765,828.

Part IV Capital Gains and Losses Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1a SEE STATEMENT 6

b			
c			
d			
e			

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss).

☐ If gain, also enter in Part I, line 7
☐ If (loss), enter -0- in Part I, line 7

2

29,303.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):

☐ If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0-
☐ in Part I, line 8.

3

6,133.

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.)

N/A

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

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

☐ Yes☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009			
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)...

2

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

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

4

5 Multiply line 4 by line 3

5

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

6

7 Add lines 5 and 6.

7

8 Enter qualifying distributions from Part XII, line 4.

8

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary — see instr.)		1	891.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	891.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	891.
6 Credits/Payments.			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	134.	
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	134.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	9.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed SEE STATEMENT 7	9	785.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax Refunded	11		

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 the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
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. ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XIV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) N/A		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		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 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 <u>N/A</u>	13	X	
14	The books are in care of <u>JENNIFER FRANK</u> Telephone no. <u>509-458-5860</u> Located at <u>1421 N MEADOWWOOD LN STE 200 LIBERTY LAKE WA</u> ZIP + 4 <u>99019</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			
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
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country			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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	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(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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.)	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. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	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

BAA

Form 990-PF (2010)

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 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 instructions)?

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 ☒ Nob 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 ☒ Nob 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 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
SEE STATEMENT 8		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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 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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

BAA

Form 990-PF (2010)

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	738,817.
b Average of monthly cash balances	1b	94,286.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	833,103.
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	833,103.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	12,497.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	820,606.
6 Minimum investment return. Enter 5% of line 5	6	41,030.

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	41,030.
2a Tax on investment income for 2010 from Part VI, line 5	2a	891.
b Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b.	2c	891.
3 Distributable amount before adjustments. Subtract line 2c from line 1.	3	40,139.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	40,139.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	40,139.

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	51,899.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	51,899.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	51,899.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				40,139.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005 36,957.				
b From 2006 7,290.				
c From 2007 42,322.				
d From 2008 12,161.				
e From 2009 12,046.				
f Total of lines 3a through e	110,776.			
4 Qualifying distributions for 2010 from Part XII, line 4. ▶ \$ 51,899.				
a Applied to 2009, but not more than line 2a.			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2010 distributable amount				40,139.
e Remaining amount distributed out of corpus	11,760.			
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.	122,536.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	36,957.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	85,579.			
10 Analysis of line 9:				
a Excess from 2006 7,290.				
b Excess from 2007 42,322.				
c Excess from 2008 12,161.				
d Excess from 2009 12,046.				
e Excess from 2010 11,760.				

N/A

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

(4) Gross investment income

[illegible]

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

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

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

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

[illegible]

2010

FEDERAL STATEMENTS

PAGE 1

CLIENT 1904

GREENSTONE FOUNDATION

91-2089416

6/14/11

11:42AM

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TOTAL	\$ 1,265.	\$ 1,265.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MGMT FEES	\$ 28.	\$ 28.	\$ 0.	\$ 0.
TOTAL	\$ 28.	\$ 28.	\$ 0.	\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	\$ 92.	\$ 92.	\$ 0.	\$ 0.
TOTAL	\$ 92.	\$ 92.	\$ 0.	\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	\$ 5,403.	\$ 5,403.	\$ 0.	\$ 0.
LICENSES & FEES	10.			
TOTAL	\$ 5,413.	\$ 5,403.	\$ 0.	\$ 0.

STATEMENT 5
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS

CASH GRANTS AND ALLOCATIONS

CLASS OF ACTIVITY:
 DONEE'S NAME:
 DONEE'S ADDRESS:

COMMUNITY ASSISTANCE PROG
 SPOKANE VALLEY MEALS ON WHEELS
 321 S. DISHMAN MICA ROAD

CLIENT 1904

GREENSTONE FOUNDATION

91-2089416

6/14/11

11:42AM

**STATEMENT 5 (CONTINUED)
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS**

RELATIONSHIP OF DONEE:	SPOKANE VALLEY, WA 99206	
ORGANIZATIONAL STATUS OF DONEE:	UNRELATED	
AMOUNT GIVEN:	PUBLIC CHARITY	\$ 2,000.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	KIWANIS CLUB OF LIBERTY LAKE	
DONEE'S ADDRESS:	PO BOX 384	
	LIBERTY LAKE, WA 99019	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		10,000.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	FRIENDS OF PAVILLION PARK	
DONEE'S ADDRESS:	PO BOX 325	
	LIBERTY LAKE, WA 99019	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		10,000.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	HOPE SCHOOL	
DONEE'S ADDRESS:	310 N. RIVERPOINT BLVD, BOX V	
	SPOKANE, WA 99202	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		400.
CLASS OF ACTIVITY:	EDUCATIONAL PURPOSES	
DONEE'S NAME:	GREENACRES ELEMENTARY SCHOOL	
DONEE'S ADDRESS:	17915 E. 4TH AVE.	
	SPOKANE VALLEY, WA 99016	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC SCHOOL	
AMOUNT GIVEN:		799.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	CUP OF COOL WATER	
DONEE'S ADDRESS:	1106 W. 2ND AVE	
	SPOKANE, WA 99201	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		150.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	UNION GOSPEL MISSION	
DONEE'S ADDRESS:	1224 E. TRENT AVE	
	SPOKANE, WA 99202	
RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		350.
CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG	
DONEE'S NAME:	VANESS BEHAN NURSERY	
DONEE'S ADDRESS:	1004 E 8TH AVE.	
	SPOKANE, WA 99202	

CLIENT 1904

GREENSTONE FOUNDATION

91-2089416

6/14/11

11:42AM

**STATEMENT 5 (CONTINUED)
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS**

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		\$ 200.

CLASS OF ACTIVITY:	PUBLIC HEALTH PURPOSES
DONEE'S NAME:	SUSAN G. KOMEN 3 DAY
DONEE'S ADDRESS:	205 N. MICHIGAN AVE., SUITE 2630 CHICAGO, IL 60601

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		1,100.

CLASS OF ACTIVITY:	PUBLIC HEALTH PURPOSES
DONEE'S NAME:	ATHRITIS FOUNDATION
DONEE'S ADDRESS:	PO BOX 96280 WASHINGTON, DC 20077

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		100.

CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG
DONEE'S NAME:	SINGLE PARENT PANTRY
DONEE'S ADDRESS:	15303 E SPRAGUE SPOKANE VALLEY, WA 99037

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		20,000.

CLASS OF ACTIVITY:	DISABLED CHILDRENS TRTMT
DONEE'S NAME:	DEAF YOUTH CAMP
DONEE'S ADDRESS:	1510 S 36TH AVE, BUILDING B, STE 11 YAKIMA, WA 98902

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		500.

CLASS OF ACTIVITY:	PUBLIC HEALTH PURPOSES
DONEE'S NAME:	SPOKANE VALLEY PARTNERS
DONEE'S ADDRESS:	10814 E BROADWAY AVE SPOKANE VALLEY, WA 99216

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		5,400.

CLASS OF ACTIVITY:	COMMUNITY ASSISTANCE PROG
DONEE'S NAME:	WOMEN AND CHILDREN FREE
DONEE'S ADDRESS:	1620 N MONROE STREET SPOKANE, WA 99205

RELATIONSHIP OF DONEE:	UNRELATED	
ORGANIZATIONAL STATUS OF DONEE:	PUBLIC CHARITY	
AMOUNT GIVEN:		900.

TOTAL \$ 51,899.

91-2089416

11.42AM

	(E) GROSS	(F) DEPREC.	(G) COST	(H) GAIN	(I) FMV	(J) ADJ. BAS.	(K) EXCESS	(L) GAIN
ITEM	SALES	ALLOWED	BASIS	(LOSS)	12/31/69	12/31/69	(I) - (J)	(LOSS)
1	31,354.		30,606.	748.				\$ 748.
2	13,096.		9,259.	3,837.				3,837.
3	5,000.		4,934.	66.				66.
4	17,086.		17,042.	44.				44.
5	10,000.		9,864.	136.				136.
6	7,942.		5,338.	2,604.				2,604.
7	11,640.		8,698.	2,942.				2,942.
8	31,153.		28,703.	2,450.				2,450.
9	6,000.		4,609.	1,391.				1,391.
10	4,070.		3,162.	908.				908.
11	10,412.		13,610.	-3,198.				-3,198.
12	26,202.		19,370.	6,832.				6,832.
13	10,000.		9,808.	192.				192.
14	5,000.		5,023.	-23.				-23.
15	44,058.		41,796.	2,262.				2,262.
16	8,967.		8,840.	127.				127.
17	9,081.		9,112.	-31.				-31.
18	6,700.		5,465.	1,235.				1,235.
19	23,117.		21,346.	1,771.				1,771.
20	18,950.		17,636.	1,314.				1,314.
21	23,650.		21,852.	1,798.				1,798.
22								1,898.
							TOTAL \$	29,303.

CLIENT 1904

GREENSTONE FOUNDATION

91-2089416

6/14/11

11:42AM

STATEMENT 7
FORM 990-PF, PART VI, LINE 9
TAX DUE

TAX DUE	\$	766.
LATE PAYMENT PENALTY		11.
LATE INTEREST		8.
TOTAL	\$	785.

STATEMENT 8
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
STEPHANIE DELAROSA 25059 E. PINE POINT CT LIBERTY LAKE, WA 99019	CHAIRMAN 0	\$ 0.	\$ 0.	\$ 0.
JAMES M. FRANK E. 23328 INLET DR LIBERTY LAKE, WA 99019	DIRECTOR 0	0.	0.	0.
JASON S. WHEATON 6206 S. HELENA ST SPOKANE, WA 99223	DIRECTOR 0	0.	0.	0.
JENNIFER FRANK CHAPARRO 8801 N. ROSEBURY LN SPOKANE, WA 99208	TREASURER 0	0.	0.	0.
JOE FRANK 24859 E. LUDLOW AVE. LIBERTY LAKE, WA 99019	SECRETARY 0	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.



CAPITAL MANAGEMENT, INC.

Portfolio Appraisal

As of 12/31/2010

Greenstone Foundation Foundation 60/40 KL Acct #. 62141103
 1421 Meadowwood Ln #200
 Liberty Lake, WA 99019

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Annual Income	Cur. Yield
COMMON STOCK								
Large Cap								
600	Auto Data Processing	33.61	20,168.49	46.28	27,768.00	3.5%	864.00	3.1%
400	Conocophillips	51.10	20,440.59	68.10	27,240.00	3.4%	880.00	3.2%
1,375	Dell, Inc.	14.93	20,523.12	13.55	18,631.25	2.3%	0.00	0.0%
185	Diamond Offshor Drilling	60.88	11,262.55	66.87	12,370.95	1.5%	647.50	5.2%
840	EMC Corp	13.02	10,936.60	22.90	19,236.00	2.4%	0.00	0.0%
250	Emerson Electric	34.79	8,697.57	57.17	14,292.50	1.8%	345.00	2.4%
1,400	General Electric	9.53	13,343.59	18.29	25,606.00	3.2%	672.00	2.6%
500	Hewlett-Packard	35.29	17,643.60	42.10	21,050.00	2.6%	160.00	0.8%
610	Intel	20.64	12,592.05	21.03	12,828.30	1.6%	384.32	3.0%
525	J P Morgan Chase & Co	41.90	21,999.79	42.42	22,270.50	2.8%	105.00	0.5%
450	Lilly	37.13	16,708.25	35.04	15,768.00	2.0%	882.00	5.6%
350	United Parcel Service Clas	62.18	21,762.21	72.58	25,403.00	3.2%	658.00	2.6%
			196,078.41		242,464.50	30.3%	5,597.82	2.3%
Mid Cap								
500	Akamai Technologies	18.52	9,259.47	47.05	23,525.00	2.9%	0.00	0.0%
950	Brown & Brown Inc	19.67	18,688.69	23.94	22,743.00	2.8%	304.00	1.3%
			27,948.16		46,268.00	5.8%	304.00	0.7%
Part II, Line 10 B, Column B			224,026.57	Column C				
					288,732.50	36.1%	5,901.82	2.0%
ALTERNATIVE GROWTH FUNDS								
260	Plum Creek Timber Co	37.04	9,630.62	37.45	9,737.00	1.2%	395.20	4.1%
295	Potlatch Corporation New	24.16	7,127.59	32.55	9,602.25	1.2%	601.80	6.3%
185	Rayonier Inc	52.60	9,731.86	52.52	9,716.20	1.2%	399.60	4.1%
535	Weyerhaeuser Co.	17.90	9,578.47	18.93	10,127.55	1.3%	588.50	5.8%
			36,068.54		39,183.00	4.9%	1,985.10	5.1%
Large Cap								
1,416.547	Dodge & Cox Int'l Fund	41.60	58,930.88	35.71	50,584.89	6.3%	701.19	1.4%
1,340.396	JPMorgan High Yield Bon	6.26	8,390.88	8.15	10,924.23	1.4%	893.37	8.2%
812.614	Loomis Sayles Bond Fund	10.94	8,890.00	14.22	11,555.37	1.4%	640.26	5.5%
280	U.S. Preferred Stock Index Par 0.00	39.22	10,981.75	38.80	10,864.00	1.4%	803.38	7.4%
			87,193.51		83,928.49	10.5%	3,038.20	3.6%
			123,262.05		123,111.49	15.4%	5,023.30	4.1%
NON-CORRELATED								
2,529.217	Franklin Floating Rate	9.07	22,940.00	9.16	23,167.63	2.9%	1,093.44	4.7%
1,294.377	JPMorgan Strategic Incm S	11.59	15,000.00	11.83	15,312.48	1.9%	461.32	3.0%

Portfolio Appraisal
As of 12/31/2010

Greenstone Foundation Foundation 60/40 KL Acct #: 62141103

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Cur. Yield</u>
NON-CORRELATED								
1,800.509	JPMorgan Strategic Incom	11.78	21,210.00	11.81	21,264.01	2.7%	620.82	2.9%
			59,150.00		59,744.12	7.5%	2,175.57	3.6%
INCOME FUNDS								
Short Term								
4,038.687	DWS Short Duration Plus	9.13	36,886.13	9.51	38,407.91	4.8%	1,482.60	3.9%
8,294.391	Lord Abbett Short Dur	4.63	38,380.00	4.60	38,154.20	4.8%	1,841.35	4.8%
3,703.035	Pimco Low Duration Fund	9.67	35,789.96	10.39	38,474.53	4.8%	1,016.85	2.6%
3,183.69	Principal Short Term	12.16	38,699.95	12.04	38,331.63	4.8%	1,399.44	3.7%
			149,756.04		153,368.27	19.2%	5,740.25	3.7%
Intermediate Term								
4,077.223	Baird Aggregate	9.89	40,321.33	10.80	44,034.01	5.5%	2,041.47	4.6%
4,935.961	JP Morgan Mortgage Back	10.94	54,000.00	11.26	55,578.92	7.0%	3,224.17	5.8%
			94,321.33		99,612.93	12.5%	5,265.64	5.3%
Long Term								
1,922.781	T Rowe Price Corp Income	9.15	17,591.60	9.62	18,497.15	2.3%	925.05	5.0%
			261,668.97		271,478.35	34.0%	11,930.94	4.4%
CASH & EQUIVALENTS								
	Cash		56,371.91		56,371.91	7.1%	5.64	0.0%
			724,479.50					
			(56,371.91)					
			668,107.59		799,438.37	100.0%	25,037.26	3.1%

Part II, Line 13
Alternative Growth Funds
Non-Correlated
Short Term
Intermediate Term
Long Term
Total

Book Value
123,262
59,150
149,756
94,321
17,592
444,081

Fair Market Value
123,111
59,744
153,368
99,613
18,497
454,333