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Form 990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
Sherwood Trust

Number and street (or P O box number if mail is not delivered to street address)
PO Box 1855

City or town, state, and ZIP code
Walla Walla, WA 99362

A Employer identification number
91-6337526

B Telephone number (see page 10 of the instructions)
(509) 529-2791

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

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

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

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$** 31,277,640

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	500			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	4,273	4,273		
	4 Dividends and interest from securities.	520,014	520,014		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	226,165			
	b Gross sales price for all assets on line 6a _____ 2,412,235				
	7 Capital gain net income (from Part IV , line 2)		226,165		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	-56,874	9,002		
	12 Total. Add lines 1 through 11	694,078	759,454		
	13 Compensation of officers, directors, trustees, etc	173,350	119,363		39,788
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	9,761	7,321		2,440
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	10,270	7,703		2,567
	c Other professional fees (attach schedule)	36,459	36,459		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	19,913	9,027		
	19 Depreciation (attach schedule) and depletion . . .	286			
	20 Occupancy	7,378	7,378		
	21 Travel, conferences, and meetings	7,539	7,310		
	22 Printing and publications				
	23 Other expenses (attach schedule).	20,995	20,571		
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	285,951	215,132		44,795
	25 Contributions, gifts, grants paid	1,227,815			1,227,815
	26 Total expenses and disbursements. Add lines 24 and 25	1,513,766	215,132		1,272,610
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-819,688			
	b Net investment income (if negative, enter -0-)		544,322		
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year		
			(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments	39,867	206,747	206,747	
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ 1,471,652 Less allowance for doubtful accounts ▶ _____	1,471,652	1,471,652	1,471,652	
	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)				
	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)	27,386,439	26,414,987	29,598,261	
	Liabilities	14	Land, buildings, and equipment basis ▶ 9,929 Less accumulated depreciation (attach schedule) ▶ 8,949	389	980	980
15		Other assets (describe ▶ _____)				
16		Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	28,898,347	28,094,366	31,277,640	
17		Accounts payable and accrued expenses				
Liabilities	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
Liabilities	22	Other liabilities (describe ▶ _____)	29,712	45,419		
	23	Total liabilities (add lines 17 through 22)	29,712	45,419		
	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.				
		24	Unrestricted			
25		Temporarily restricted				
26		Permanently restricted				
Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.						
27		Capital stock, trust principal, or current funds	13,658,972	13,658,972		
28		Paid-in or capital surplus, or land, bldg , and equipment fund	9,225,495	9,225,495		
29		Retained earnings, accumulated income, endowment, or other funds	5,984,168	5,164,480		
30		Total net assets or fund balances (see page 17 of the instructions)	28,868,635	28,048,947		
31		Total liabilities and net assets/fund balances (see page 17 of the instructions)	28,898,347	28,094,366		

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	28,868,635
2	Enter amount from Part I, line 27a	2	-819,688
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	28,048,947
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	28,048,947

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)		2	226,165
If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7				
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	57,948
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				

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	1,542,946	25,617,947	0 06023	
2008	1,808,616	31,044,231	0 05826	
2007	1,669,211	37,194,487	0 04488	
2006	1,470,198	34,551,618	0 04255	
2005	1,412,595	31,041,218	0 04551	
2	Total of line 1, column (d).		2	0 25142
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 05029
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.		4	28,566,838
5	Multiply line 4 by line 3.		5	1,436,483
6	Enter 1% of net investment income (1% of Part I, line 27b).		6	5,443
7	Add lines 5 and 6.		7	1,441,926
8	Enter qualifying distributions from Part XII, line 4.		8	1,272,610
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 type="checkbox"/> and enter 1% of Part I, line 27b		1	10,886
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	
3Add lines 1 and 2.		3	10,886
4Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	10,886
6Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	9,100
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	
7Total credits and payments Add lines 6a through 6d.		7	9,100
8Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	1,786
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 0 Refunded		11	

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 \$ _____ (2) On foundation managers \$ _____			
eEnter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____			
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	Yes
bIf "Yes," has it filed a tax return on Form 990-T for this year?.		4b	Yes
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) WA _____			
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? Website address N/A	13	Yes	
14	The books are in care of Leona M Clarno Telephone no (509) 337-6316 Located at 715 Maple Street Waitsburg WA ZIP+4 99361			
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.			
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?	15		
	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		No

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		No
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.	5b		No
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 checked="" 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		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
See Additional Data Table				
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		
Total number of others receiving over \$50,000 for professional services.		

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	26,861,078
b	Average of monthly cash balances.	1b	668,157
c	Fair market value of all other assets (see page 24 of the instructions).	1c	1,472,631
d	Total (add lines 1a, b, and c).	1d	29,001,866
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	
3	Subtract line 2 from line 1d.	3	29,001,866
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	435,028
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	28,566,838
6	Minimum investment return. Enter 5% of line 5.	6	1,428,342

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	1,428,342
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	10,886
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	10,886
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	1,417,456
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	1,417,456
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	1,417,456

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	1,272,610
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	1,272,610
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	1,272,610
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			
2	Undistributed income, if any, as of the end of 2010			
a	Enter amount for 2009 only. 1,227,246			
b	Total for prior years 20____, 20____, 20____			
3	Excess distributions carryover, if any, to 2010			
a	From 2005.			
b	From 2006.			
c	From 2007.			
d	From 2008.			
e	From 2009.			
f	Total of lines 3a through e.			
4	Qualifying distributions for 2010 from Part XII, line 4 ➤ \$ 1,272,610			
a	Applied to 2009, but not more than line 2a 1,227,246			
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions). . . 0			
d	Applied to 2010 distributable amount. 45,364			
e	Remaining amount distributed out of corpus			
5	Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)			
6	Enter the net total of each column as indicated below:			
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5			
b	Prior years' undistributed income Subtract line 4b from line 2b.			
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. . .			
e	Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions.			
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011. 1,372,092			
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).			
9	Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.			
10	Analysis of line 9			
a	Excess from 2006.			
b	Excess from 2007.			
c	Excess from 2008.			
d	Excess from 2009.			
e	Excess from 2010.			

Part XIV

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

[illegible]

1 Information Regarding Foundation Managers:

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

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.

b The form in which applications should be submitted and information and materials they should include
No specific form

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

Religious, charitable, and educational purposes within the Walla Walla geographical area

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	1,227,815
b Approved for future payment				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2010)

Part XVII

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

1

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

a

Transfers from the reporting foundation to a noncharitable exempt organization of

1

Cash.

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

2011-05-16

Date

Title

Paid Preparer's Use Only

Preparer's Signature

Susan L Robb CPA

Firm's name

LarsonAllen LLP

Firm's address

8131 W Grandridge Blvd
Kennewick, WA 99336

Date

Check if self-employed

PTIN

Firm's EIN

Phone no (509) 735-1561

Form 990-PF (2010)

Additional Data

Software ID: 10000105
Software Version: 2010v3.2
EIN: 91-6337526
Name: Sherwood Trust

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	LTCG DIVIDENDS DIMENSIONAL FUNDS	P	2001-01-01	2010-12-31
B	LTCG DIVENDS JP MORGAN HIGH YIELD FUND	P	2009-01-01	2010-12-31
C	STCG DIVIDENDS JP MORGAN HIGH YIELD FUND	P	2010-01-01	2010-06-30
D	LTCG K-1 BCM Small Cap Value Fund, LLLP	P	2001-01-01	2010-12-31
E	STCG K-1 BCM Small Cap Value Fund, LLLP	P	2010-01-01	2010-06-30
F	4957 96 Dodge & Cox Intl Stock Fund	P	2001-01-01	2010-04-28
G	3579 952 EuroPacific Growth Fund A	P	2001-01-01	2010-04-28
H	1735 426 Rainier Small/Mid Cap Equity Port	P	2001-01-01	2010-04-28
I	22029 90 Rainier Small/Mid Cap Equity Port	P	2001-01-01	2010-02-25
J	17458 10 T Rowe Price Large Cap Growth	P	2001-01-01	2010-01-07
K	51876 676 T Rowe Price Large Cap Growth	P	2001-01-01	2010-04-28
L	Securities Litigation Settlement (LT)	P	2001-01-01	2010-12-31

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	51,179			51,179
B	2,250			2,250
C	2,389			2,389
D			36,721	-36,721
E	55,559			55,559
F	513,000		509,656	3,344
G	135,000		124,383	10,617
H	50,000		43,140	6,860
I	571,015		547,818	23,197
J	250,000		232,747	17,253
K	774,000		691,605	82,395
L	7,843			7,843


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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
A				51,179
B				2,250
C				2,389
D				-36,721
E				55,559
F				3,344
G				10,617
H				6,860
I				23,197
J				17,253
K				82,395
L				7,843


Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Robert L Zagelow	Adv Comm Mem 6 00	0		
PO BOX 1855 Walla Walla, WA 99362				
Kathy Small	Adv Comm Mem 6 00	0		
PO BOX 1855 Walla Walla, WA 99362				
Larry Mulkerin	Chair 6 00	9,000		
PO BOX 1855 Walla Walla, WA 99362				
Peggy Sanderson	Vice President 6 00	6,750		
PO BOX 1855 Walla Walla, WA 99362				
James F Aylward	Director 6 00	4,500		
PO BOX 1855 Walla Walla, WA 99362				
Joanne Martin	Director 6 00	7,500		
PO BOX 1855 Walla Walla, WA 99362				
Allan Gillespie	Director 6 00	9,000		
PO BOX 1855 Walla Walla, WA 99362				
Leona M Clamo	Secretary/Treas 15 00	30,600		
PO BOX 1855 WALLA WALLA, WA 99362				
George M Edwards	President 40 00	91,800	14,200	
PO BOX 1855 Walla Walla, WA 99362				


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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
COMMUNITY CENTER FOR YOUTH PO BOX 2291 WALLA WALLA,WA 99362	N/A	N/A	CONSULTING SERVICE & OPERATIONAL EXPENSES	38,500
WALLA WALL COMMUNITY COLLEGE FOUNDA 500 TAUSICK WAY WALLA WALLA,WA 99362	N/A	N/A	PROVIDE FUNDS FOR CONSULTING SERVICES FOR NONPROFIT ORGANIZATIONS	7,500
PHILANTHROPY NORTHWEST 2101 FOURTH AVENUE SEATTLE,WA 98121	N/A	N/A	BRONZE SPONSOR FOR 2011	1,800
LITTLE THEATRE OF WALLA WALLA PO BOX 39 WALLA WALLA,WA 99362	N/A	N/A	HELP PURCHASE HENRY POPE PROPERTY - EXPAND THEATRE PROPERTY	180,000
WHITMAN COLLEGE 345 BOYER AVENUE WALLA WALLA,WA 99362	N/A	N/A	THE JULIA CRAWFORD HARRIS SCHOLARSHIP ENDOWMENT IN MEMORY OF WM B HARRIS	2,000
STUDENT HEALTH OPTIONS 534 S 3RD AVE SUITE 16 WALLA WALLA,WA 99362	N/A	N/A	HELP FUND CONSULTING CONTRACT TO ADDRESS GOVERNING ISSUES, BUSINESS PLAN, & FINANCIAL DEVELOPMENT	25,000
POMEGRANATE CENTER PO BOX 486 ISSAQUAH,WA 98027	N/A	N/A	COMPLETE DESIGN & PLANNING OF WASHINGTON PARK GATHERING PLACE	100,000
SOCIAL VENTURE PARTNERS - SEATTLE 1601 SECOND AVENUE SUITE 615 SEATTLE,WA 98101	N/A	N/A	HELP FUND 12-MONTH PROJECT PROVIDING LEADERSHIP OF STATEWIDE 101 PROJECT	5,000
DAYTON HISTORICAL DEPOT SOC PO BOX 1881 DAYTON,WA 99328	N/A	N/A	HELP FUND CREATE & INSTALL LIFE-SIZED BRONZE FIGURE OF STATIONMASTER WITH DOG	44,000
UPPER COLUMBIA OF SEVENTH DAY ADVEN 1200 SE 12TH STREET COLLEGE PLACE,WA 99324	N/A	N/A	ON BEHALF OF SONBRIDGE COMM CENTER RENOVATE MEDICAL & DENTAL SPACE	170,000
BLUE MT LAND TRUST PO BOX 1473 WALLA WALLA,WA 99362	N/A	N/A	FUND CERTAIN OPERATING COSTS OVER 3 YRS	140,500
BLUE MT ACTION COUNCIL 342 CATHERINE WALLA WALLA,WA 99362	N/A	N/A	SUPPORT YEAR #5 OF COMMITMENT TO COMMUNITY, A NEIGHBORHOOD REVITALIZATION EFFORT	95,000
CAMP FIRE USA WW COUNCIL 414 S PARK STREET WALLA WALLA,WA 99362	N/A	N/A	HELP RENOVATE AND MODERNIZE BLDG 414 W PARK ST	270,000
WALLA WALLA VALLEY BANDS PO BOX 272 WALLA WALLA,WA 99362	N/A	N/A	PURCHASE LARGE AND UNUSUAL INSTRUMENTS	51,000
PHILANTHROPY NORTHWEST 2101 FOURTH AVENUE SEATTLE,WA 98121	N/A	N/A	BRONZE CONFERENCE SPONSOR	1,500
Total  3a				1,227,815

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
WW SENIOR CITIZENS CENTER 720 SPRAGUE STREET WALLA WALLA,WA 99362	N/A	N/A	LEADERSHIP PROJECT - RENOVATE LEARNING CENTER	10,000
RURAL DEVELOPMENT INITIATIVES INC 2620 RIVER ROAD SUITE 205 EUGENE,OR 97404	N/A	N/A	LEADERSHIP TRAINING TO BUILD COMMUNITY CONFLICT RESOLVERS ETC	34,015
WW COMMUNITY COLLEGE FOUNDATION 500 TAUSICK WAY WALLA WALLA,WA 99362	N/A	N/A	1 YR PILOT PROGRAM FOR NON-PROFIT ORGANIZATIONS FACING ISSUES	14,000
WW FAMILY YMCA 140 S PARK STREET WALLA WALLA,WA 99362	N/A	N/A	MEMORIAL - R MONAHAN	500
WALLA WALLA SYMPHONY PO BOX 92 WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
YWCA 213 S FIRST STREET WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
WW FAMILY YMCA 140 S PARK STREET WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
FRIENDS OF THE WW LIBRARY 238 E ALDER WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
WALLA WALLA VALLEY HISTORICAL SOC 755 MYRA ROAD WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
LITTLE THEATRE OF WALLA WALLA PO BOX 39 WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	5,000
BOY SCOUTS OF AMERICA 8478 W GAGE BLVD KENNEWICK,WA 99336	N/A	N/A	OPERATING AWARD	2,500
WW SENIOR CITIZENS CENTER 720 SPRAGUE WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	2,000
CAMP FIRE USA WW COUNCIL 414 S PARK STREET WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	1,000
BLUE MT HUMANE SOCIETY 7 E GEORGE STREET WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	1,000
SUNSHINE CLUB 1035 JELOR PLACE WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	500
Total  3a				1,227,815

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN RED CROSS 175 S PARK WALLA WALLA,WA 99362	N/A	N/A	OPERATING AWARD	500
Total  3a				1,227,815

TY 2010 Accounting Fees Schedule

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LarsonAllen	10,270	7,703	0	2,567

TY 2010 General Explanation Attachment

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Identifier	Return Reference	Explanation
		The income and deductions from Liberty Lake Land Company LLC are reported on Form 990-T as unrelated business taxable income pursuant to Internal Revenue Code Section 512(b)(4)

TY 2010 Investments - Other Schedule

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
DIMENSIONAL FUND ADVISORS	AT COST	1,273,492	1,359,206
JP Morgan High Yield Fund	AT COST	1,277,305	1,377,715
PIMCO Commodity Real Return Strat Inst	AT COST	1,377,297	1,831,348
Blackstone Partners Offshore Fund Ltd.	AT COST	2,469,073	2,906,448
Dodge & Cox International Stock Fund	AT COST	4,323,348	3,695,767
T. Rowe Price Large Cap Growth	AT COST	3,704,370	4,548,930
BCM Small Cap Value Fund, LLLP	AT COST	655,349	829,442
Dodge & Cox Income Fund	AT COST	1,383,268	1,429,887
Dodge & Cox Stock Fund	AT COST	4,113,396	4,313,943
Rainier Small/Mid Cap Equity Portfolio	AT COST	554,510	728,285
EuroPacific Growth Fund A	AT COST	3,086,935	3,666,601
Aurora Offshore Fund Ltd.	AT COST	1,593,592	2,910,589
Walla Walla Country Club	AT COST	100	100
Liberty Lake Land Company LLC	AT COST	602,952	

TY 2010 Land, Etc. Schedule

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Machinery and Equipment	9,929	8,949	980	980

TY 2010 Other Expenses Schedule**Name:** Sherwood Trust**EIN:** 91-6337526**Software ID:** 10000105**Software Version:** 2010v3.2

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Various miscellaneous expenses	1,038	1,038		
Tech software system	14,748	14,748		
Office Expenses	1,627	1,627		
Less inv exp reported on Form 990-T	-29,850			
Investment expenses from LLLC K-1	29,850			
Interest exp deferred compensation	424			
Insurance	2,257	2,257		
Dues	901	901		

TY 2010 Other Income Schedule

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Description	Revenue And Expenses Per Books	Net Invest ment Income	Adjusted Net Income
Other Investment Income	- 56,874	9,002	

TY 2010 Other Liabilities Schedule

Name: Sherwood Trust

EIN: 91-6337526

Software ID: 10000105

Software Version: 2010v3.2

Description	Beginning of Year - Book Value	End of Year - Book Value
Federal excise tax payable	703	1,786

TY 2010 Other Professional Fees Schedule**Name:** Sherwood Trust**EIN:** 91-6337526**Software ID:** 10000105**Software Version:** 2010v3.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Wurts & Associates	26,494	26,494	0	0
Randall & Hurley	125	125	0	0
BCM Small Cap Value Fd - Mgmt Fees	9,840	9,840	0	0

TY 2010 Taxes Schedule**Name:** Sherwood Trust**EIN:** 91-6337526**Software ID:** 10000105**Software Version:** 2010v3.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
4 Less R E taxes reported on 990-T	39,568			
3 Real estate taxes from LLLC K-1	39,568			
2 Excise Tax on Net Investment Income	10,886			
1 Foreign Tax Expense	9,027	9,027		