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 , 2010, and ending , 20

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Name of foundation
THE VALENCIA FOUNDATION
C/O HEATHER VALENCIA, TRUSTEE

A Employer identification number
91-6522313

Number and street (or P O box number if mail is not delivered to street address) Room/suite
1619 NE 52ND ST.

B Telephone number (see page 10 of the instructions)
(206) 525-7900

City or town, state, and ZIP code
SEATTLE, WA 98105

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: [X] 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)* ▶ $ 544,283.

J Accounting method: [X] 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)	0.			
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	11,821.	11,821.		ATCH 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	17,202.			
	b Gross sales price for all assets on line 6a 207,908.				
	7 Capital gain net income (from Part IV, line 2)		17,202.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	29,023.	29,023.		
Operating and Administrative 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 schedule) ATCH 2	1,695.	0.	0.	0.
	c Other professional fees (attach schedule) *	5,374.	5,374.		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) **	966.	966.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 5	58.			
	24 **Total operating and administrative expenses.** Add lines 13 through 23	8,093.	6,340.	0.	0.
	25 Contributions, gifts, grants paid	61,392.			61,392.
	26 **Total expenses and disbursements** Add lines 24 and 25	69,485.	6,340.	0.	61,392.
	27 Subtract line 26 from line 12.				
	a **Excess of revenue over expenses and disbursements**	-40,462.			
	b **Net investment income** (if negative, enter -0-)		22,683.		
	c **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets

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

		Line	Description	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	17,063.	11,143.	11,143.
	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) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 6	480,723.	443,586.	532,140.
	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)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶ ATCH 7)	0.	1,000.	1,000.
	16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	497,786.	455,729.	544,283.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ ATCH 8)	1,595.	0.	
	23	Total liabilities (add lines 17 through 22)	1,595.	0.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted	496,191.	455,729.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ [ ]			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see page 17 of the instructions)	496,191.	455,729.	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	497,786.	455,729.	

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	496,191.
2	Enter amount from Part I, line 27a	2	-40,462.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	455,729.
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	455,729.

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 PART IV SCHEDULE			
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) 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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (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	17,202.
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	62,975.	470,114.	0.133957
2008	73,300.	629,981.	0.116353
2007	121,200.	1,039,773.	0.116564
2006	215,053.	1,275,248.	0.168636
2005	190,831.	1,203,643.	0.158545

2	**Total** of line 1, column (d)	2	0.694055
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	0.138811
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	525,909.
5	Multiply line 4 by line 3	5	73,002.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	227.
7	Add lines 5 and 6	7	73,229.
8	Enter qualifying distributions from Part XII, line 4	8	61,392.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter ____________ (attach copy of ruling letter if necessary - see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	454.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3	Add lines 1 and 2		3	454.
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	454.
6	Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a 500.		
b	Exempt foreign organizations-tax withheld at source	6b 0.		
c	Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	500.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	46.
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 46. **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶$ 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*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ WA,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ HEATHER VALENCIA Telephone no ▶ 206-525-7900

Located at ▶ 1619 NE 52ND STREET, SEATTLE, WA ZIP + 4 ▶ 98105

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

			Yes	No
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		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X
If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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
HEATHER G. VALENCIA	TRUSTEE	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		NONE

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 NONE	
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 NONE	
2	
All other program-related investments See page 24 of the instructions 3 NONE	
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	516,704.
b	Average of monthly cash balances	1b	17,214.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	533,918.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	533,918.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	8,009.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	525,909.
6	**Minimum investment return.** Enter 5% of line 5	6	26,295.

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	26,295.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	454.		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	454.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	25,841.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	25,841.
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	25,841.

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	61,392.
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	61,392.
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	61,392.

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				25,841.
2	Undistributed income, if any, as of the end of 2010				
a	Enter amount for 2009 only				
b	Total for prior years 20 08 ,20 07 ,20 06				
3	Excess distributions carryover, if any, to 2010				
a	From 2005 ... 130,807.				
b	From 2006 ... 154,465.				
c	From 2007 ... 73,426.				
d	From 2008 ... 41,819.				
e	From 2009 ... 39,955.				
f	Total of lines 3a through e	440,472.			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 61,392.				
a	Applied to 2009, but not more than line 2a				
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)				
d	Applied to 2010 distributable amount				25,841.
e	Remaining amount distributed out of corpus	35,551.			
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	476,023.			
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				
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)	130,807.			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	345,216.			
10	Analysis of line 9				
a	Excess from 2006 ... 154,465.				
b	Excess from 2007 ... 73,426.				
c	Excess from 2008 ... 41,819.				
d	Excess from 2009 ... 39,955.				
e	Excess from 2010 ... 35,551.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see page 28 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))

HEATHER G. VALENCIA

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

N/A

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

Check here ▶ [X] 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:

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ATTACHMENT 9				
Total ▶ **3a**				61,392.
***b** Approved for future payment*				
Total ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

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	11,821.	
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	17,202.	
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)				29,023.	

13 Total Add line 12, columns (b), (d), and (e) . . . . . 13 29,023.

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions.)
N/A	NOT APPLICABLE

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

			Yes	No
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)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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
	N/A		N/A

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

Heather Valencia 5/16/11 Trustee

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Robert A. Davenny, Jr.	[signature]	5/12/11		P00021333

Firm's name ▶ DAVENNY & ASSOCIATES, PS — Firm's EIN ▶ 91-1538679

Firm's address ▶ 22232 17TH AVENUE SE, SUITE 210, BOTHELL, WA 98021-7411 — Phone no 425-486-6700

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		SEE STATEMENT ATTACHED					VARIOUS	VAR 2010
22,410.		21,814.					596.	
		SEE STATEMENT ATTACHED					VARIOUS	VAR 2010
185,498.		168,892.					16,606.	
TOTAL GAIN(LOSS)							17,202.	

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FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
CHARLES SCHWAB #9868	11,821.	11,821.
TOTAL	11,821.	11,821.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEES	1,695.			
TOTALS	1,695.	0.	0.	0.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT ADVISORY FEES	5,374.	5,374.
TOTALS	5,374.	5,374.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FEDERAL TAX PAID ON INV. INC.	966.	966.
TOTALS	966.	966.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
WASHINGTON STATE LICENSE FEE	25.
MISCELLANEOUS EXPENSE	33.
TOTALS	58.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
996 SH-STARBUCKS CORP. (COST BASIS=1,728)	11,174.	32,001.
295 SH. AFLAC INC	12,979.	16,647.
406 SH. ABBOTT LABORATORIES	16,198.	19,452.
418 SH. ACCENTURE LTD.	16,015.	20,269.
356 SH. AMGEN INC	18,998.	19,544.
274 SH. BERKSHIRE HATHAWAY	15,422.	21,950.
477 SH. BANK OF NY MELLON CP	15,595.	14,405.
537 SH. BRISTOL-MYERS SQUIBB	11,232.	14,220.
579 SH. MERCK & CO.	21,900.	20,867.
503 SH. NORDSTROM INC.	17,816.	21,317.
386 SH PACCAR INC	0.	0.
853 SH. PFIZER INC.	12,902.	14,936.
901 SH. AT&T INC.	0.	0.
218 SH. FRANKLIN RESOURCES INC	20,617.	24,244.
90 SH. GOLDMAN SACHS GROUP	13,601.	15,134.
156 SH. CHEVRON CORP.	0.	0.
639 SH. DISNEY WALT CO	14,985.	23,969.
1143 SH. EBAY INC.	27,437.	31,810.
781 SH. GANNETT CO INC.	10,637.	11,785.
330 SH. WAL-MART STORES INC.	15,932.	17,797.
580 SH. HOME DEPOT INC.	23,460.	20,335.
171 SH. MCDONALDS CORP	9,741.	13,126.
735 SH. MICROSOFT CORP.	21,169.	20,514.
612 SH. WALGREEN COMPANY	18,233.	23,844.
747 SH. WELLS FARGO & CO	18,991.	23,150.
749 SH. VERIZON COMMUNICATIONS	0.	0.
999 SH. CABELAS INC.	17,299.	21,728.
869 SH. COMCAST	15,101.	18,084.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
174 SH. HEWLETT-PACKARD CO.	6,681.	7,325.
240 SH. JOHNSON & JOHNSON	15,591.	14,844.
326 SH. LEGG MASON INC.	9,423.	11,824.
772 SH. MYLAN INC.	13,881.	16,312.
22 SH. STARBUCKS CORP.	576.	707.
TOTALS	443,586.	532,140.

FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
REIMBURSEMENT RECEIVABLE	1,000.	1,000.
TOTALS	1,000.	1,000.

FORM 990PF, PART II - OTHER LIABILITIES

DESCRIPTION	ENDING BOOK VALUE
REIMBURSEMENT PAYABLE FOR TAX	0.
TOTALS	0.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 9

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TELEIOS PMB 502 4616 25TH AVENUE NE SEATTLE, WA 98105-4183	NONE PUBLIC CHARITY	CHRISTIAN MINISTRY	12,500.
INTERNATIONAL FOUNDATION P.O. BOX 23813 WASHINGTON, DC 20026-3813	NONE PUBLIC FOUNDATION	CHRISTIAN MINISTRY	13,000.
LEADERSHIP DEVELOPMENT 4616 25TH AVENUE NE, PMB 225 SEATTLE, WA 98105	NONE PUBLIC FOUNDATION	CHRISTIAN LEADERSHIP DEVELOPMENT	11,500.
AGROS INTERNATIONAL 2225 4TH AVENUE, 2ND FLOOR SEATTLE, WA 98121	NONE PUBLIC CHARITY	CHRISTIAN FELLOWSHIP	2,500.
CONSTRUCTION FOR CHANGE 5525 16TH AVE NE SEATTLE, WA 98105	NONE PUBLIC CHARITY	CHRISTIAN MINISTRY	1,000.
THE SERVANT LEADERSHIP FOUNDATION 5045 FARTHING DRIVE COLORADO SPRINGS, CO 80906	NONE PRIVATE FOUNDATION	CHRISTIAN LEADERSHIP DEVELOPMENT	10,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 9 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
RESTORE INTERNATIONAL, INC. 3226 ROSEDALE ST NW, #100 GIG HARBOR, WA 98335	NONE PUBLIC CHARITY	CHILDREN'S HUMAN RIGHTS	1,000.
EVANGELICAL COVENANT CHURCH 5101 N. FRANCISCO AVENUE CHICAGO, IL 60625	NONE PUBLIC CHARITY	CHRISTIAN FELLOWSHIP	1,000.
UNIVERSITY PREP 8000 25TH AVENUE NE SEATTLE, WA 98115	NONE PUBLIC CHARITY	CHRISTIAN EDUCATION	1,000.
AZUSA PACIFIC UNIVERSITY P.O. BOX 7000 AZUSA, CA 91702	NONE PUBLIC CHARITY	CHRISTIAN EDUCATION	200.
FOUNDATION RWANDA 241 AVENUE OF THE AMERICAS, #14-C NEW YORK, NY 10014	NONE PUBLIC CHARITY	CHILDREN'S EDUCATION	1,000.
YOUNG LIFE P.O. BOX 520 COLORADO SPRINGS, CO 80901	NONE PUBLIC CHARITY	CHRISTIAN MINISTRY	1,025.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 9 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SEATTLE'S UNION GOSPEL MISSION P.O. BOX 202 SEATTLE, WA 98111	NONE PUBLIC CHARITY	SUPPORT FOR HOMELESS	5,000.
HOPELINK 16225 NE 87TH STREET, #A-1 REDMOND, WA 98052	NONE PUBLIC CHARITY	HOMELESS FAMILIES SUPPORT	467.
SEATTLE CHILDREN'S HOSPITAL FOUNDATION M/S S-200 P.O. BOX 5371 SEATTLE, WA 98145	NONE PUBLIC CHARITY	CHILDREN'S MEDICAL SERVICES	200.
		TOTAL CONTRIBUTIONS PAID	61,392.

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2010

Name of estate or trust THE VALENCIA FOUNDATION
C/O HEATHER VALENCIA, TRUSTEE

Employer identification number 91-6522313

Note: *Form 5227 filers need to complete **only** Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	596.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	596.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	16,606.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	16,606.

Part III Summary of Parts I and II

Caution: *Read the instructions **before** completing this part.*

			(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			596.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			16,606.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			17,202.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet,** as necessary*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of

a The loss on line 15, column (3) **or** b $3,000 .... 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000, **or** if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if*

- *Either line 14b, col (2) or line 14c, col (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17			
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18					
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19					
20	Add lines 18 and 19	20					
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21					
22	Subtract line 21 from line 20 If zero or less, enter -0-			22			
23	Subtract line 22 from line 17 If zero or less, enter -0-			23			
24	Enter the **smaller** of the amount on line 17 or $2,300			24			
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26, go to line 27 and check the "No" box ☐ **No.** Enter the amount from line 23			25			
26	Subtract line 25 from line 24			26			
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22			27			
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28			
29	Subtract line 28 from line 27			29			
30	Multiply line 29 by 15% (15)					30	
31	Figure the tax on the amount on line 23 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)					31	
32	Add lines 30 and 31					32	
33	Figure the tax on the amount on line 17 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)					33	
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)					34	

SCHEDULE D-1 (Form 1041)

Department of the Treasury Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ See instructions for Schedule D (Form 1041).

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2010

Name of estate or trust: THE VALENCIA FOUNDATION

Employer identification number: 91-6522313

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a SEE STATEMENT ATTACHED	VARIOUS	VAR 2010	22,410.	21,814.	596.

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . 596.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. **Schedule D-1 (Form 1041) 2010**

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Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side	Employer identification number

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a SEE STATEMENT ATTACHED	VARIOUS	VAR 2010	185,498.	168,892.	16,606.
6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b					16,606.

2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds Average
All Other Investments First In First Out [FIFO]

Realized Gain or (Loss)

Short-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
A T & T INC NEW. T	445.0000	06/26/09	04/23/10	$11,616 57	$11,044.95	$571 62
Security Subtotal				**$11,616.57**	**$11,044.95**	**$571.62**
CABELAS INC. CAB	12.0000	09/13/10	10/19/10	$220 73	$207.79	$12.94
CABELAS INC: CAB	74.0000	09/13/10	10/25/10	$1,411.83	$1,281 40	$130 43
Security Subtotal				**$1,632.56**	**$1,489.19**	**$143.37**
COMCAST CP NEW CL A SPL CLASS A SPL NON-VOTING. CMCSK	72 0000	09/13/10	10/25/10	$1,333.11	$1,251.19	$81 92
Security Subtotal				**$1,333.11**	**$1,251.19**	**$81.92**
GANNETT CO INC DEL: GCI	63.0000	09/13/10	10/25/10	$758 38	$858 04	($99 66)
Security Subtotal				**$758.38**	**$858.04**	**($99.66)**
HEWLETT-PACKARD COMPANY: HPQ	13 0000	09/13/10	10/25/10	$549.39	$499.17	$50.22
Security Subtotal				**$549.39**	**$499.17**	**$50.22**
JOHNSON & JOHNSON JNJ	14 0000	04/23/10	09/13/10	$835.66	$909 46	($73.80)
JOHNSON & JOHNSON JNJ	3.0000	04/23/10	10/19/10	$179 15	$194.88	($15.73)

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

charles SCHWAB INSTITUTIONAL

Schwab One® Account of
VALENCIA FOUNDATION

Account Number
5177-9868

Report Period
January 1 - December 31, 2010

2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
JOHNSON & JOHNSON. JNJ	19.0000	04/23/10	10/25/10	$1,206.65	$1,234 27	($27.62)
Security Subtotal				**$2,221.46**	**$2,338.61**	**($117.15)**
LEGG MASON INC· LM	29 0000	09/13/10	10/25/10	$888 00	$838 25	$49.75
Security Subtotal				**$888.00**	**$838.25**	**$49.75**
MYLAN INC: MYL	8.0000	09/13/10	10/19/10	$142.25	$143.85	($1.60)
MYLAN INC: MYL	28 0000	09/13/10	10/25/10	$547 55	$503 46	$44.09
MYLAN INC MYL	34 0000	09/13/10	10/25/10	$664 88	$611.34	$53.54
Security Subtotal				**$1,354.68**	**$1,258.65**	**$96.03**
VERIZON COMMUNICATIONS: VZ	72 0000	06/26/09	05/04/10	$2,055.88	$2,235 53	($179.65)
Security Subtotal				**$2,055.88**	**$2,235.53**	**($179.65)**
Total Short-Term				**$22,410.03**	**$21,813.58**	**$596.45**

Long-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
A F L A C INC AFL	111.0000	09/08/09	09/13/10	$5,795.25	$4,348.27	$1,446.98

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

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2010 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method
Mutual Funds. Average
All Other Investments First In First Out [FIFO]

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
A F L A C INC AFL	2.0000	09/08/09	10/19/10	$100 75	$78 35	$22.40
A F L A C INC AFL	14.0000	09/08/09	10/25/10	$765 24	$548 43	$216 81
Security Subtotal				**$6,661.24**	**$4,975.05**	**$1,686.19**
A T & T INC NEW: T	126.0000	10/26/04	01/25/10	$3,236.82	$3,108.42 t	$128.40
A T & T INC NEW: T	92 0000	01/31/05	01/25/10	$2,363.40	$2,196 94 t	$166 46
A T & T INC NEW. T	238.0000	01/31/05	04/23/10	$6,212.90	$5,683.39 t	$529 51
Security Subtotal				**$11,813.12**	**$10,988.75**	**$824.37**
ABBOTT LABORATORIES: ABT	6.0000	12/01/05	10/19/10	$310 12	$226.31 t	$83 81
ABBOTT LABORATORIES ABT	24 0000	12/01/05	10/25/10	$1,256 31	$905 24 t	$351.07
Security Subtotal				**$1,566.43**	**$1,131.55**	**$434.88**
ACCENTURE PLC CL A F· ACN	36 0000	01/12/07	09/13/10	$1,405.25	$1,359 72 t	$45 53
ACCENTURE PLC CL A F. ACN	100.0000	01/12/07	09/13/10	$3,903.45	$3,777 00 t	$126 45
ACCENTURE PLC CL A F: ACN	6.0000	01/12/07	10/19/10	$260 09	$226 62 t	$33 47

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Schwab One® Account of
VALENCIA FOUNDATION

Account Number
5177-9868

Report Period
January 1 - December 31, 2010

2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
ACCENTURE PLC CL A F: ACN	31 0000	01/12/07	10/25/10	$1,404.32	$1,170 87 t	$233.45
Security Subtotal				**$6,973.11**	**$6,534.21**	**$438.90**
AMGEN INCORPORATED: AMGN	2.0000	06/26/09	10/19/10	$106 39	$104.60	$1 79
AMGEN INCORPORATED: AMGN	29 0000	06/26/09	10/25/10	$1,673.31	$1,516.63	$156.68
Security Subtotal				**$1,779.70**	**$1,621.23**	**$158.47**
BANK OF NY MELLON CP NEW: BK	124 0000	08/01/08	09/13/10	$3,222.56	$4,355 85	($1,133.29)
BANK OF NY MELLON CP NEW BK	8.0000	08/01/08	10/19/10	$199 05	$281 02	($81.97)
BANK OF NY MELLON CP NEW. BK	36 0000	08/01/08	10/25/10	$888 51	$1,264.60	($376.09)
Security Subtotal				**$4,310.12**	**$5,901.47**	**($1,591.35)**
BERKSHIRE HATHAWAY B NEWCLASS B: BRKB	5.0000	06/26/09	10/19/10	$405.74	$281.43	$124.31
BERKSHIRE HATHAWAY B NEWCLASS B. BRKB	21.0000	06/26/09	10/25/10	$1,744.10	$1,182.01	$562 09
Security Subtotal				**$2,149.84**	**$1,463.44**	**$686.40**
BRISTOL-MYERS SQUIBB CO· BMY	183.0000	06/26/09	09/13/10	$4,963.26	$3,827 61	$1,135 65

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2010 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out [FIFO]

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
BRISTOL-MYERS SQUIBB CO: BMY	8.0000	06/26/09	10/19/10	$207 29	$167.33	$39.96
BRISTOL-MYERS SQUIBB CO: BMY	41.0000	06/26/09	10/25/10	$1,102 95	$857 55	$245 40
Security Subtotal				**$6,273.50**	**$4,852.49**	**$1,421.01**
CHEVRON CORPORATION. CVX	156.0000	01/16/07	09/13/10	$12,360.08	$10,826.40 t	$1,533.68
Security Subtotal				**$12,360.08**	**$10,826.40**	**$1,533.68**
DISNEY WALT CO DIS	93.0000	06/26/09	09/13/10	$3,177.18	$2,180.91	$996 27
DISNEY WALT CO: DIS	5.0000	06/26/09	10/19/10	$163 15	$117.25	$45.90
DISNEY WALT CO: DIS	53.0000	06/26/09	10/25/10	$1,871 99	$1,242.88	$629.11
Security Subtotal				**$5,212.32**	**$3,541.04**	**$1,671.28**
EBAY INC· EBAY	96.0000	04/29/05	10/25/10	$2,672.28	$3,027.10 t	($354.82)
Security Subtotal				**$2,672.28**	**$3,027.10**	**($354.82)**
FRANKLIN RESOURCES INC. BEN	3.0000	07/17/08	10/19/10	$336 40	$274.50	$61.90
FRANKLIN RESOURCES INC: BEN	17.0000	07/17/08	10/25/10	$1,962 51	$1,555 51	$407.00
Security Subtotal				**$2,298.91**	**$1,830.01**	**$468.90**

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2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FRONTIER COMMUNICATIONS: FTR	0.7758	06/26/09	07/02/10	$5.47	$6.34	($0 87)
FRONTIER COMMUNICATIONS: FTR	95.0000	06/26/09	07/08/10	$707.48	$776.00	($68.52)
Security Subtotal				**$712.95**	**$782.34**	**($69.39)**
GOLDMAN SACHS GROUP INC. GS	7.0000	06/26/09	10/25/10	$1,091.92	$1,034.31	$57.61
Security Subtotal				**$1,091.92**	**$1,034.31**	**$57.61**
HOME DEPOT INC· HD	80 0000	07/11/06	09/13/10	$2,394.21	$2,760 93 t	($366.72)
HOME DEPOT INC. HD	8.0000	07/11/06	10/19/10	$233.05	$276 09 t	($43.04)
HOME DEPOT INC: HD	5.0000	07/11/06	10/25/10	$156.35	$172.56 t	($16 21)
HOME DEPOT INC: HD	40 0000	01/12/07	10/25/10	$1,250.83	$1,612 80 t	($361.97)
Security Subtotal				**$4,034.44**	**$4,822.38**	**($787.94)**
MC DONALDS CORP. MCD	108 0000	06/26/09	09/13/10	$8,044.58	$6,152 42	$1,892 16
MC DONALDS CORP MCD	3 0000	06/26/09	10/19/10	$222.44	$170.90	$51.54
MC DONALDS CORP. MCD	14.0000	06/26/09	10/25/10	$1,093.25	$797 54	$295 71
Security Subtotal				**$9,360.27**	**$7,120.86**	**$2,239.41**

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2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds. Average
All Other Investments. First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
MERCK & CO INC NEW. MRK	2 0000	08/22/05	09/13/10	$72 38	$54.91 t	$17.47
MERCK & CO INC NEW. MRK	100.0000	08/22/05	09/13/10	$3,619.10	$2,745.44 t	$873 66
MERCK & CO INC NEW. MRK	199 0000	08/22/05	09/13/10	$7,201.41	$5,463.42 t	$1,737.99
MERCK & CO INC NEW MRK	98.0000	04/29/08	09/13/10	$3,546.41	$3,668.38	($121.97)
MERCK & CO INC NEW. MRK	7.0000	04/29/08	10/19/10	$249.91	$262 03	($12.12)
MERCK & CO INC NEW MRK	46.0000	04/29/08	10/25/10	$1,710.50	$1,721 89	($11.39)
Security Subtotal				**$16,399.71**	**$13,916.07**	**$2,483.64**
MICROSOFT CORP MSFT	68.0000	05/22/06	01/22/10	$2,025 26	$1,554 04 t	$471.22
MICROSOFT CORP: MSFT	110 0000	07/21/06	01/22/10	$3,276.16	$2,640.00 t	$636.16
MICROSOFT CORP: MSFT	13.0000	09/22/06	01/22/10	$387.19	$345 15 t	$42 04
MICROSOFT CORP· MSFT	117 0000	09/22/06	09/13/10	$2,955.65	$3,106.35 t	($150.70)
MICROSOFT CORP· MSFT	320 0000	01/12/07	09/13/10	$8,083.84	$9,941.50 t	($1,857 66)
MICROSOFT CORP: MSFT	45.0000	01/19/07	09/13/10	$1,136.79	$1,389.02 t	($252.23)

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2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
MICROSOFT CORP: MSFT	60 0000	01/19/07	10/25/10	$1,504.22	$1,852 03 t	($347.81)
Security Subtotal				**$19,369.11**	**$20,828.09**	**($1,458.98)**
NORDSTROM INC· JWN	5.0000	11/01/07	10/19/10	$181.05	$190 02	($8.97)
NORDSTROM INC: JWN	39.0000	11/01/07	10/25/10	$1,453.53	$1,482.18	($28.65)
Security Subtotal				**$1,634.58**	**$1,672.20**	**($37.62)**
PACCAR INC: PCAR	32 0000	06/26/09	09/13/10	$1,447.35	$1,002 52	$444 83
PACCAR INC· PCAR	4.0000	06/26/09	10/19/10	$190 85	$125 31	$65.54
PACCAR INC· PCAR	26.0000	06/26/09	10/25/10	$1,318.07	$814.54	$503.53
PACCAR INC· PCAR	324 0000	06/26/09	11/18/10	$17,312.87	$10,150.48	$7,162 39
Security Subtotal				**$20,269.14**	**$12,092.85**	**$8,176.29**
PFIZER INCORPORATED: PFE	331.0000	05/07/08	07/15/10	$4,878.65	$6,621.26	($1,742.61)
PFIZER INCORPORATED: PFE	95 0000	06/05/08	07/15/10	$1,400.22	$1,764 23	($364.01)
PFIZER INCORPORATED: PFE	335 0000	06/05/08	09/13/10	$5,675.93	$6,221.22	($545.29)
PFIZER INCORPORATED: PFE	1.0000	06/26/09	09/13/10	$16 94	$15 13	$1.81

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2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
PFIZER INCORPORATED: PFE	8.0000	06/26/09	10/19/10	$132.33	$121 00	$11 33
PFIZER INCORPORATED: PFE	68 0000	06/26/09	10/25/10	$1,191.23	$1,028 50	$162 73
Security Subtotal				**$13,295.30**	**$15,771.34**	**($2,476.04)**
STARBUCKS CORP: SBUX	12.0000	09/06/07	10/19/10	$318.04	134.63	183.41
STARBUCKS CORP: SBUX	78.0000	09/06/07	10/25/10	$2,204.65	875.06	1329.59
Security Subtotal				**$2,522.69**	1009.69	1513.00
VERIZON COMMUNICATIONS. VZ	184.0000	01/12/07	01/26/10	$5,492.67	$6,845 98 t	($1,353.31)
VERIZON COMMUNICATIONS: VZ	94 0000	01/12/07	05/04/10	$2,684.07	$3,497.40 t	($813.33)
VERIZON COMMUNICATIONS: VZ	399.0000	06/26/09	09/13/10	$12,300 39	$11,606.21	$694.18
Security Subtotal				**$20,477.13**	**$21,949.59**	**($1,472.46)**
WAL-MART STORES INC: WMT	12.0000	10/25/05	09/13/10	$626.96	$546 12 t	$80 84
WAL-MART STORES INC: WMT	110 0000	03/23/06	09/13/10	$5,747.14	$5,332.93 t	$414.21
WAL-MART STORES INC· WMT	6 0000	03/23/06	10/19/10	$312 34	$290 89 t	$21.45

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charles SCHWAB
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2010 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
WAL-MART STORES INC. WMT	24 0000	03/23/06	10/25/10	$1,287.27	$1,163 55 t	$123.72
Security Subtotal				**$7,973.71**	**$7,333.49**	**$640.22**
WALGREEN COMPANY: WAG	6 0000	06/26/09	10/19/10	$194.87	$178 99	$15.88
WALGREEN COMPANY: WAG	56.0000	06/26/09	10/25/10	$1,919.10	$1,670 59	$248.51
Security Subtotal				**$2,113.97**	**$1,849.58**	**$264.39**
WELLS FARGO & CO NEW. WFC	25.0000	06/26/09	09/13/10	$653 54	$593 14	$60.40
WELLS FARGO & CO NEW: WFC	7.0000	06/26/09	10/19/10	$163 74	$166.08	($2 34)
WELLS FARGO & CO NEW: WFC	53 0000	06/26/09	10/25/10	$1,355.25	$1,257 46	$97.79
Security Subtotal				**$2,172.53**	**$2,016.68**	**$155.85**
Total Long-Term				**$185,498.10**	$168,892.21	$16,605.89
Total Realized Gain or (Loss)				**$207,908.13**	$190,705.79	$17,202.34

Schwab has provided realized gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings See Terms and Conditions
Option Customers Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options

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