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 January 1 **, 2010, and ending** December 31 **, 20** 10

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: HEED FOUNDATION

A Employer identification number: 94 3401972

Number and street (or P O box number if mail is not delivered to street address): 2180 E Hemmi Rd | Room/suite:

B Telephone number (see page 10 of the instructions): 360 966 5421

City or town, state, and ZIP code: Bellingham WA 98226

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 ▶ ☐

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 225,423.57

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

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	4,861.72	4,861.72		
	4	Dividends and interest from securities	3,751.04	3,751.04		
	5a	Gross rents	0	0		
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		11,900.01		
	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)	0			
	11	Other income (attach schedule)	0	0		
	12	**Total.** Add lines 1 through 11	8,612 76	20,512 77		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	0	0		
	14	Other employee salaries and wages	0	0		
	15	Pension plans, employee benefits	0	0		
	16a	Legal fees (attach schedule)	0	0		
	b	Accounting fees (attach schedule)	0	0		
	c	Other professional fees (attach schedule)	6,258.45	6,258.45		
	17	Interest	0	0		
	18	Taxes (attach schedule) (see page 14 of the instructions)	179.27	179.27		
	19	Depreciation (attach schedule) and depletion	0	0		
	20	Occupancy	0	0		
	21	Travel, conferences, and meetings	0	0		
	22	Printing and publications	0	0		
	23	Other expenses (attach schedule)	292.00	292.00		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	6,729.72	6,729.72		
	25	Contributions, gifts, grants paid	107,000.00			107,000.00
	26	**Total expenses and disbursements.** Add lines 24 and 25	113,729.72	6,729.72		107,000.00
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-105,116.96			
	b	**Net investment income** (if negative, enter -0-)		13,783.05		
	c	**Adjusted net income** (if negative, enter -0-)				

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P 11

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	6,732.94	13,726.72	13,726.72
	2	Savings and temporary cash investments	23,310 69	6,446.87	6,446.87
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	5	Grants receivable	0	0	0
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	8	Inventories for sale or use	0	0	0
	9	Prepaid expenses and deferred charges	0	0	0
	10a	Investments—U.S. and state government obligations (attach schedule)	143,918.85	101,582.53	102,220.31
	b	Investments—corporate stock (attach schedule)	119,402.93	78,392.34	103,029.67
	c	Investments—corporate bonds (attach schedule)	0	0	0
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶	0	0	0
	12	Investments—mortgage loans	0	0	0
	13	Investments—other (attach schedule)	0	0	0
	14	Land, buildings, and equipment: basis ▶			
		Less. accumulated depreciation (attach schedule) ▶	0	0	0
	15	Other assets (describe ▶)	0	0	0
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	293.365.41	200,148.46	225,423.57
Liabilities	17	Accounts payable and accrued expenses	0	0	
	18	Grants payable	0	0	
	19	Deferred revenue	0	0	
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)	0	0	
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	0	0	
	25	Temporarily restricted		0	
	26	Permanently restricted	0	0	
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	293.365.41	200,148.46	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	0	0	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	293.365.41	200,148.46	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	293.365.41	200,148.46	

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	293.365.41
2	Enter amount from Part I, line 27a	2	-105,116.96
3	Other increases not included in line 2 (itemize) ▶ Capital Gain	3	11,900.01
4	Add lines 1, 2, and 3	4	200,148.46
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	200,148.46

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	Schedule attached			
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			(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				
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	11,900.01
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	3,336.33

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	88,847.85	326,496 62	0.27212
2008	78,916.13	441,732.36	0.17865
2007	124,669.39	543,858.55	0.22923
2006	184,689.70	650,848.15	0.28337
2005	184,590.59	795,744.94	0.23197

2	**Total** of line 1, column (d)	2	1.19534
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	0.23907
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	241,356.82
5	Multiply line 4 by line 3	5	57,701.17
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	137.83
7	Add lines 5 and 6	7	57,839.00
8	Enter qualifying distributions from Part XII, line 4	8	107,000 00

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 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	137.83
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	137.83
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	137.83
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	0
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	137.83
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ ______ **Refunded** ▶	11	0

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		✓
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		✓
	*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		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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		✓
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		✓
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ Washington			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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

			Line	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		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	✓	

Website address ▶

14 The books are in care of ▶ Gerald Peterson Telephone no. ▶ 253-852-0728

Located at ▶ 322 Railroad Ave South, Kent WA ZIP+4 ▶ 98032 5937

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 |

		Line	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		
	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.

		Line	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		N/A
	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		✓
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 ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b		N/A
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)*	3b		N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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		✓

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** N/A

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** ✓

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** N/A

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
Herbert Strouss 6709 127pl SE Snohomish WA 98296	president 5	0	0	0
Charles Strouss 4610 244th Ave NE Redmond WA	vice president 5	0	0	0
Cory Carlson 2180 E Hemmi Rd, Bellingham WA 98226	secretary 5	0	0	0
Gerald Peterson 322 Railroad Ave S, Kent WA 98032	treasurer 5	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
N/A		
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 N/A	
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	236,653.03
b	Average of monthly cash balances	1b	8,379.27
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	245,032.30
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	245,032 30
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	3,675.48
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	241,356.82
6	**Minimum investment return.** Enter 5% of line 5	6	12,067.84

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	12,067.84
2a	Tax on investment income for 2010 from Part VI, line 5	2a	137.83		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0		
c	Add lines 2a and 2b			2c	137.83
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	11,930.01
4	Recoveries of amounts treated as qualifying distributions			4	0
5	Add lines 3 and 4			5	11,930.01
6	Deduction from distributable amount (see page 25 of the instructions)			6	0
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	11,930.01

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	107,000,00
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	107,000,00
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	137.83
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	106,862.17

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				11,930.010
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			0	
b Total for prior years: 20___,20___,20___		0		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				107,000 00
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0			
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 Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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

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	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2a 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).)

N/A

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 ▶ ☐ 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:

Cory Carlson, 2180 E Hemmi Rd, Bellingham WA 98226, (360)-739-2982

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

HEED Foundation Application for Grant

c Any submission deadlines:

NONE

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

HEED does not support artistic endeavors.

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*				
INCOR PO 531 Kent WA 98032			Humanitarian Relief	82,000.00
Jardin de la Nina Maria Bogota Colombia			Humanitarian Relief	19,000.00
Community Christian Ministries 516 S. Main St. Moscow, ID 83843			Student Ministry	6,000.00
Total . . . . ▶ 3a				107,000.00
b *Approved for future payment*				
NONE				
Total . . . . ▶ 3b				N/A

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					
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					
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)					

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 N/A

(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

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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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] 8/15/2011 Treasurer

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
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Account management fee (CITICORP)	6,258.45
Total professional fees line 16 [c]	6,258.45
Foreign tax paid on foreign dividends	27.12
Federal income tax	152.15
Total Taxes Line 18	179.27
Bank of America fees and service charges	292.00
Total other expenses line 23	292.00

GOVERNMENT SECURITIES	SHARES	FAIR MARKET VALUE	BOOK VALUE
U_S_Treas_Nts_1.375%_11/15/12_	17,000.00	17,253.64	17,247.03
U_S_Treasury_Notes_4.875%_8/15/16_	7,000.00	7,978.39	7,728.16
U_S_Treas_Nts_3.000%_2/28/17_	13,000.00	13,406.25	13,791.28
U_S_Treasury_Nts_3.750%_11/15/18_	13,000.00	13,827.71	13,482.97
United_States_Treas_2.625%_11/15/20_	7,000.00	6,602.96	6,822.75
Fed_Home_Ln_Mtg_Corp_5.750%_1/15/12_	10,000.00	10,539.90	10,291.23
Fed_Home_Ln_Mtg_Corp_4.500%_1/15/13_	10,000.00	10,756.60	10,895.00
Federal_Home_Ln_Mtg_4.125%_9/27/13_	7,000.00	7,585.41	7,162.17
Fed_Natl_Mtg_Assn_4.625%_10/15/13_	13,000.00	14,269.45	14,161.94
Total U.S. Treasuries and Agencies 10(a)		**102,220.31**	**101,582.53**

COMMON EQUITIES	SHARES	FAIR MARKET VALUE	BOOK VALUE
Applied_Materials_Com_	200.00	2,810.00	2,974.85
AT_&_T_Inc_	60.00	1,762.80	1,461.03
Babcock_&_Wilcox_Co_New_	37.00	946.83	295.29
Baker_Hughes_Inc_Com_	30.00	1,715.10	1,038.68
Bank_of_America_Corp_	95.00	1,267.30	1,223.28
Bank_of_New_York_Mellon_Corp_	75.00	2,265.00	1,828.61
Blackrock_Inc_	7.00	1,334.06	1,163.93
Boeing_Company_Com_	34.00	2,218.84	2,077.08
Chubb_Corp_Com_	45.00	2,683.80	1,138.66
CISCO_Systems_Inc_Com_	125.00	2,528.75	2,148.70
ConocoPhillips_	30.00	2,043.00	1,388.08
Deere_&_Co._	30.00	2,491.50	1,630.60
Devon_Energy_Corporation_New_	30.00	2,355.30	1,884.47
Dover_Corp_Com_	15.00	876.75	743.25
Ebay_Inc_	95.00	2,643.85	2,437.07
Emcor_Group_Inc_	10.00	289.80	232.78
Emerson_Electric_Com_	40.00	2,286.80	1,062.54
Fluor_Corp_New_	30.00	1,987.80	1,345.76
Franklin_RES_Inc_Com_	15.00	1,668.15	977.99
Gap_Inc_Com_	55.00	1,217.70	989.51
Halliburton_Co_Com_	60.00	2,449.80	1,381.89
Hess_Corp_	35.00	2,678.90	1,855.69
Home_Depot_Inc_Com_	65.00	2,278.90	1,654.83
Honeywell_Intl_Inc_	40.00	2,126.40	958.99
Jacobs_Engr_Group_Inc_	10.00	458.50	476.46
Johnson_&_Johnson_Com_	45.00	2,783.25	2,444.29
Jones_Lang_Lasalle_Inc_	15.00	1,258.80	488.15
JPMorgan_Chase_&_Co_	90.00	3,817.80	2,711.25
Key_Corp_	125.00	1,106.25	685.37
Lawson_Software_Inc_New_	60.00	555.00	271.04
Mattel_Inc_Com_	64.00	1,627.52	1,296.55
Merck_&_Co_Inc_New_	75.00	2,703.00	2,651.37
Microsoft_Corp_Com_	75.00	2,093.25	1,925.82
Morgan_Stanley_	105.00	2,857.05	3,168.02
Noble_Energy_Inc_	15.00	1,291.20	912.03
Northrop_Grumman_Corp_	30.00	1,943.40	1,204.04
Nucor_Corp_	25.00	1,095.50	1,139.24
Parker_Hannifin_Corp_	15.00	1,294.50	631.00
Pebblebrook_Hotel_TR_	4.00	81.28	68.62
Safeway_Stores_Inc_Com_New_	135.00	3,036.15	2,648.59
Texas_Instruments_Com_	80.00	2,600.00	1,807.17
United_Sts_Stl_Corp_New_	40.00	2,336.80	2,068.03
US_Bancorp_DEL_	50.00	1,348.50	1,308.06
Walt_Disney_Company_Com_	40.00	1,500.40	626.50
Weyerhaeuser_Company_Com_	148.00	2,801.64	3,902.93
Allied_World_Ass._Com_Usd0.03_	30.00	1,783.20	1,234.67
BHP_Billiton_Ltd_	10.00	929.20	456.13

Carnival_Corp_Paired_CTF_1_Com_Carni_	35.00	1,613.85	842.33
Ericsson_(Lm)Tel_Adr-Each_Rep_10_Ord_	230.00	2,651.90	2,212.81
Glaxo_Smithkline_	35.00	1,372.70	1,470.80
McDermott_Intl_Inc_	75.00	1,551.75	300.43
Novartis_AG_Spons_ADR_	45.00	2,652.75	2,161.19
Schlumberger_Ltd_	10.00	835.00	512.30
Unilever_PLC_Spnsrd_ADR_New_	65.00	2,007.20	1,372.44
Vodafone_Group_SPD_ADR_Rep_10_Ord_SH_	80.00	2,115.20	1,501.15
Total Common Equities 10(b)		**103,029.67**	**78,392.34**

Attachment Part IV Form 990-PF 2010
HEED Foundation EIN 94-3401972

(a) Description	(b) How Acquired	(c) Date Acquired	(d)Date Sold	(e) Gross Sales Price	(f) Depreciation Allowed	(g) Cost	(h) Gain or Loss
10.00 WILLIAMS SONOMA INC	P	03/28/08	01/14/10	218 10	0 00	237.44	-19.34
12.00 WILLIAMS SONOMA INC	P	03/28/08	01/14/10	261 71	0.00	284.92	-23 21
13.00 WILLIAMS SONOMA INC	P	03/28/08	01/15/10	270 87	0 00	308.67	-37 80
15 00 WEYERHAEUSER CO	P	08/08/03	01/20/10	657 29	0 00	818.61	-161 32
1000 00 FEDERAL NATL MTG ASSN	P	07/17/08	01/21/10	1,071 78	0 00	1,061.27	10 51
220.00 TAIWAN SEMICONDUCTOR MFG	P	08/15/03	01/25/10	2,259 11	0 00	1,780 60	478 51
13000.00 FEDERAL NATL MTG ASSN	P	07/17/08	02/03/10	13,896 48	0 00	13,796 56	99.92
20 00 BAKER HUGHES INC	P	02/09/05	02/19/10	980 18	0 00	890 58	89.60
10 00 BOEING CO	P	10/04/05	02/19/10	642 89	0 00	675.30	-32.41
30 00 CISCO SYS INC	P	10/05/05	02/19/10	727 79	0 00	529.83	197 96
15 00 EMERSON ELECTRIC CO	P	06/16/03	02/19/10	718 94	0 00	398 45	320 49
20 00 HOME DEPOT INC	P	05/09/05	02/19/10	602 79	0 00	742 88	-140.09
10.00 HONEYWELL INTL INC	P	09/16/02	02/19/10	404.59	0.00	241 60	162.99
5 00 JOHNSON & JOHNSON	P	04/16/04	02/19/10	320 04	0 00	271 59	48 45
5 00 LAWSON SOFTWARE INC NEW	P	03/13/08	02/19/10	30 25	0 00	36 21	-5.96
40 00 LAWSON SOFTWARE INC NEW	P	03/20/08	02/19/10	241 99	0.00	290 00	-48.01
10 00 LAWSON SOFTWARE INC NEW	P	05/02/08	02/19/10	60 50	0 00	80 00	-19 50
5 00 LAWSON SOFTWARE INC NEW	P	05/08/08	02/19/10	30 25	0 00	39 96	-9.71
25 00 MERCK & CO INC NEW	P	03/25/08	02/19/10	937 48	0 00	1,106 25	-168 77
5 00 MERCK & CO INC NEW	P	03/27/08	02/19/10	187 50	0 00	221 24	-33.74
5 00 MURPHY OIL CORP	P	09/11/08	02/19/10	266.94	0 00	332 90	-65.96
10 00 ROBERT HALF INTL INC DE	P	09/22/08	02/19/10	288 09	0.00	269 95	18 14
15 00 TEXAS INSTRUMENTS INC	P	02/21/07	02/19/10	374.99	0.00	463.38	-88.39
1000 00 U S TREASURY NOTES SER F-2018	P	01/30/09	02/19/10	1,007.54	0.00	1,077.27	-69 73
15 00 UNILEVER PLC SPONS ADR NEW	P	03/31/05	02/19/10	450.44	0.00	332.94	117.50
13.00 BANK OF AMERICA CORP	P	12/08/08	03/05/10	217.23	0 00	220.82	-3 59
22 00 BANK OF AMERICA CORP	P	01/07/09	03/05/10	367.61	0.00	307 92	59 69
20 00 EBAY INC	P	05/05/06	03/05/10	494.99	0.00	649 77	-154 78
15 00 HOME DEPOT INC	P	05/09/05	03/05/10	477 14	0 00	557 16	-80.02
20 00 VODAFONE GROUP PLC SPONS	P	03/01/02	03/05/10	447.99	0.00	432.03	15 96
5 00 WALT DISNEY CO	P	10/25/01	03/05/10	164 60	0 00	89.75	74 85
10 00 WALT DISNEY CO	P	08/16/02	03/05/10	329 19	0 00	156.62	172 57
10.00 CISCO SYS INC	P	10/05/05	03/12/10	258 89	0 00	176.61	82 28
10 00 CISCO SYS INC	P	12/22/05	03/12/10	258 89	0 00	172 64	86 25
60 00 ERICSSON L M TEL CO CL B	P	09/17/08	03/12/10	671.99	0 00	589 27	82.72
10 00 HONEYWELL INTL INC	P	09/16/02	03/12/10	429 19	0 00	241 60	187 59
2000 00 FEDERAL HOME LOAN MTG CORP	P	11/13/08	03/16/10	2,149.79	0 00	2,046 33	103 46
2000 00 FEDERAL NATL MTG ASSN GLOBAL	P	03/04/09	03/16/10	2,184 68	0.00	2,178.76	5 92
2000 00 U S TREASURY NOTES SER F-2018	P	01/30/09	03/18/10	2,036.80	0 00	2,154 53	-117 73
15 00 APPLIED MATERIALS INC DELAWARE	P	02/10/05	04/12/10	205.49	0 00	250 31	-44.82
10 00 APPLIED MATERIALS INC DELAWARE	P	03/12/07	04/12/10	137 00	0 00	185 85	-48.85
17 00 GAP INC DELAWARE	P	10/05/07	04/12/10	424 65	0 00	322 91	101 74
1 00 JPMORGAN CHASE & CO	P	05/16/02	04/12/10	46 16	0 00	31 79	14.37
9 00 JPMORGAN CHASE & CO	P	06/11/03	04/12/10	415.43	0 00	271 13	144 30
10 00 EMERSON ELECTRIC CO	P	06/16/03	04/16/10	520 16	0 00	265 63	254 53
5.00 HOME DEPOT INC	P	05/09/05	04/16/10	174 99	0.00	185 72	-10 73
5 00 MURPHY OIL CORP	P	09/10/08	06/02/10	254 69	0 00	331 84	-77 15
10 00 ANADARKO PETROLEUM CORP	P	11/16/01	06/10/10	385 97	0 00	256 92	129 05
10 00 DOVER CORP	P	07/27/07	06/14/10	462.79	0.00	497 14	-34 35
5 00 TEXAS INSTRUMENTS INC	P	02/13/07	06/14/10	124 30	0 00	151 29	-26 99
20 00 TEXAS INSTRUMENTS INC	P	02/21/07	06/14/10	497 18	0 00	617 83	-120 65
10 00 WALT DISNEY CO	P	08/16/02	06/14/10	344.39	0 00	156.62	187.77
10 00 WEYERHAEUSER CO	P	08/08/03	06/14/10	412 99	0 00	545 74	-132.75
25 00 APPLIED MATERIALS INC DELAWARE	P	02/10/05	06/17/10	327 99	0 00	417 17	-89 18
10 00 APPLIED MATERIALS INC DELAWARE	P	03/24/05	06/17/10	131.20	0.00	166 07	-34.87
15 00 BANK OF AMERICA CORP	P	01/07/09	06/17/10	239 09	0 00	209.94	29.15
15.00 CHUBB CORP	P	06/05/03	06/17/10	787.18	0.00	458 12	329 06
1000 00 FEDERAL HOME LOAN MTG CORP	P	08/13/07	06/17/10	1,079 62	0.00	1,029 12	50 50
2000 00 FEDERAL HOME LOAN MTG CORP	P	11/13/08	06/17/10	2,166.26	0.00	2,046 34	119 92
1000.00 FEDERAL NATL MTG ASSN GLOBAL	P	03/04/09	06/17/10	1,099.91	0.00	1,089 38	10.53
2000.00 U S TREASURY NOTES SER E-2016	P	04/22/09	06/17/10	2,288 36	0.00	2,318.43	-30 07
3000 00 U S TREASURY NOTES SER F-2018	P	01/30/09	06/17/10	3,174.14	0.00	3,231.80	-57 66
15.00 MARRIOTT INTL INC NEW CL A	P	03/24/09	06/25/10	482.84	0.00	258.15	224.69
7.00 ROBERT HALF INTL INC DE	P	09/22/08	06/25/10	176.46	0 00	188.96	-12.50
3.00 ROBERT HALF INTL INC DE	P	09/22/08	06/28/10	75.06	0 00	80 98	-5 92
10.00 ANADARKO PETROLEUM CORP	P	11/16/01	06/29/10	366.18	0 00	256 91	109.27
5 00 ANADARKO PETROLEUM CORP	P	07/12/02	06/30/10	180.32	0.00	111.50	68.82
5.00 ANADARKO PETROLEUM CORP	P	07/12/02	07/01/10	184 23	0.00	111 50	72 73
10 00 ANADARKO PETROLEUM CORP	P	07/12/02	07/01/10	368.46	0.00	222.99	145 47
1000 00 U S TREASURY NOTES SER E-2016	P	01/30/09	07/14/10	1,150.47	0 00	1,158 59	-8 12
55.00 KEYCORP -NEW	P	06/11/09	07/19/10	424.04	0 00	329 77	94.27
1000.00 U S TREASURY NOTES SER F-2018	P	01/30/09	07/23/10	1,079.53	0 00	1,077 26	2.27
0.50 THE BABCOCK & WILCOX COMPANY	P	11/14/08	08/10/10	11.81	0 00	3 99	7.82
15 00 CITRX SYS INC	P	02/21/07	08/19/10	872.05	0 00	342 28	529 77
6000.00 U S TREASURY NOTES SER E-2016	P	01/30/09	08/20/10	7,088.20	0.00	6,951 57	136.63
15 00 STATE STREET CORP	P	01/15/03	08/24/10	529.96	0.00	598 87	-68.91
5 00 STATE STREET CORP	P	01/15/03	08/25/10	174.31	0 00	199.62	-25 31
15.00 STATE STREET CORP	P	01/15/03	08/26/10	526.72	0.00	598.86	-72 14
10 00 STATE STREET CORP	P	01/15/03	08/27/10	353.53	0 00	399.25	-45.72
5 00 STATE STREET CORP	P	01/15/03	08/27/10	176 76	0.00	199 62	-22 86
4 00 STATE STREET CORP	P	01/15/03	08/30/10	140.46	0 00	159 70	-19 24
1 00 STATE STREET CORP	P	01/15/03	08/31/10	34 72	0 00	39 92	-5.20

5.00 STATE STREET CORP	P	04/08/09	08/31/10	173 60	0 00	154 24	19 36
11 00 LASALLE HOTEL PPTYS SBI	P	03/25/09	09/01/10	233 15	0.00	59 88	173.27
5.00 STATE STREET CORP	P	04/08/09	09/01/10	178 51	0.00	154.24	24 27
4 00 LASALLE HOTEL PPTYS SBI	P	03/25/09	09/02/10	84 79	0.00	21 78	63.01
10 00 STATE STREET CORP	P	04/08/09	09/02/10	360 48	0.00	308.49	51.99
0 66 WEYERHAEUSER CO	P	08/06/03	09/02/10	10.45	0.00	36.06	-25 61
12000 00 FEDERAL HOME LOAN MTG CORP	P	11/13/08	09/10/10	13,086 48	0.00	12,278 01	808 47
25 00 AT&T INC	P	06/15/09	09/14/10	701 73	0.00	611.06	90.67
10 00 EMERSON ELECTRIC CO	P	06/16/03	09/14/10	506 59	0.00	265 63	240.96
1000 00 FEDERAL HOME LOAN MTG CORP	P	08/13/07	09/14/10	1,071 07	0 00	1,029.12	41 95
1000.00 FEDERAL NATL MTG ASSN GLOBAL	P	03/04/09	09/14/10	1,110.56	0 00	1,089.38	21 18
5 00 FRANKLIN RESOURCES INC	P	11/05/08	09/14/10	536.19	0 00	347.81	188.38
5 00 HALLIBURTON CO HOLDINGS CO	P	08/08/08	09/14/10	157 55	0 00	214 85	-57 30
10 00 HONEYWELL INTL INC	P	09/16/02	09/14/10	434.99	0.00	241 60	193 39
10 00 JOHNSON & JOHNSON	P	04/16/04	09/14/10	607 48	0.00	543 17	64 31
15 00 MERCK & CO INC NEW	P	03/27/08	09/14/10	548.38	0 00	663 73	-115.35
5 00 MERCK & CO INC NEW	P	04/02/08	09/14/10	182.79	0 00	189 42	-6 63
15 00 NOVARTIS AG ADR	P	03/07/05	09/14/10	840 13	0 00	735 83	104 30
10 00 SCHLUMBERGER LTD	P	10/17/08	09/14/10	592.58	0 00	512.29	80 29
8 00 TUTOR PERINI CORP	P	09/18/08	09/23/10	160 57	0 00	183.78	-23 21
8 00 TUTOR PERINI CORP	P	09/18/08	09/24/10	158 90	0 00	183 77	-24 87
4 00 TUTOR PERINI CORP	P	09/18/08	09/27/10	79 46	0.00	91 89	-12 43
5.00 TUTOR PERINI CORP	P	09/29/08	09/27/10	99.33	0.00	111.04	-11.71
9 00 TUTOR PERINI CORP	P	05/05/09	09/28/10	178 71	0.00	161.73	16.98
1 00 TUTOR PERINI CORP	P	05/05/09	09/29/10	19 89	0 00	17 97	1 92
5 00 TUTOR PERINI CORP	P	06/26/09	09/29/10	99.46	0 00	89.19	10.27
100 00 BANK OF AMERICA CORP	P	01/07/09	10/19/10	1,182.20	0.00	1,399.62	-217.42
10 00 DEVON ENERGY CORP NEW	P	08/11/09	10/19/10	675.98	0 00	642.49	33 49
3.00 NORTHROP GRUMMAN CORP	P	03/25/09	10/19/10	182 21	0 00	129.00	53 21
7.00 NORTHROP GRUMMAN CORP	P	04/01/09	10/19/10	425 17	0.00	303.66	121 51
5 00 PARKER-HANNIFIN CORP	P	04/23/09	10/19/10	380.39	0 00	210 93	169 46
20 00 TEXAS INSTRUMENTS INC	P	02/13/07	10/19/10	561 79	0 00	605 17	-43 38
35 00 VODAFONE GROUP PLC SPONS	P	03/01/02	10/19/10	921.53	0.00	756 06	165.47
10 00 WEATHERFORD INTERNATIONAL	P	09/03/08	12/10/10	207.00	0 00	341 00	-134 00
12.00 WEATHERFORD INTERNATIONAL	P	10/17/08	12/10/10	248 39	0 00	181 09	67.30
20 00 APPLIED MATERIALS INC DELAWARE	P	03/24/05	12/13/10	265.99	0.00	332.14	-66.15
5 00 BAKER HUGHES INC	P	02/09/05	12/13/10	277.14	0 00	222 65	54 49
2.00 CARNIVAL CORP	P	04/17/09	12/13/10	87.18	0.00	54 38	32.80
3 00 CARNIVAL CORP	P	04/20/09	12/13/10	130 77	0 00	76 56	54 21
10 00 CHUBB CORP	P	06/05/03	12/13/10	597 88	0 00	305 41	292.47
5 00 EBAY INC	P	05/17/06	12/13/10	152 90	0 00	150 35	2 55
30 00 EBAY INC	P	02/04/08	12/13/10	917 38	0.00	866.92	50 46
2000 00 FEDERAL NATL MTG ASSN GLOBAL	P	03/04/09	12/13/10	2,196 06	0 00	2,178 76	17 30
6 00 HESS CORP	P	07/31/09	12/13/10	448 91	0 00	331.45	117 46
4 00 HESS CORP	P	08/05/09	12/13/10	299 27	0 00	220 65	78 62
5 00 HOME DEPOT INC	P	06/15/06	12/13/10	172.15	0 00	185 47	-13.32
5.00 HOME DEPOT INC	P	03/28/08	12/13/10	172 15	0 00	137 32	34 83
10 00 HONEYWELL INTL INC	P	09/16/02	12/13/10	521 49	0 00	241 61	279 88
15.00 KEYCORP -NEW	P	06/04/09	12/13/10	125 54	0 00	82 25	43.29
10 00 KEYCORP -NEW	P	06/11/09	12/13/10	83 70	0 00	59 96	23 74
15 00 LAWSON SOFTWARE INC NEW	P	03/13/08	12/13/10	136 80	0 00	108 64	28 16
10 00 LAWSON SOFTWARE INC NEW	P	01/06/09	12/13/10	91.20	0 00	52 49	38 71
25.00 LAWSON SOFTWARE INC NEW	P	01/07/09	12/13/10	228 00	0.00	127 66	100.34
20 00 MICROSOFT CORP	P	03/10/04	12/13/10	547 39	0 00	513 55	33 84
5 00 NORTHROP GRUMMAN CORP	P	03/25/09	12/13/10	319 34	0 00	215 00	104 34
3 00 SAFEWAY INC NEW	P	05/26/09	12/13/10	63 51	0.00	59 89	3.62
5 00 SAFEWAY INC NEW	P	05/27/09	12/13/10	105 84	0.00	99.91	5 93
2 00 SAFEWAY INC NEW	P	09/11/09	12/13/10	42 34	0 00	39 96	2 38
10 00 SCHLUMBERGER LTD	P	10/17/08	12/13/10	834.48	0 00	512 29	322 19
15 00 TEXAS INSTRUMENTS INC	P	02/13/07	12/13/10	490 64	0 00	453 87	36 77
2000.00 U S TREASURY NOTES SER F-2018	P	02/26/09	12/13/10	2,127 19	0.00	2,132 19	-5 00
30 00 UNILEVER PLC SPONS ADR NEW	P	03/31/05	12/13/10	916.48	0 00	665.88	250 60
20 00 WALT DISNEY CO	P	08/16/02	12/13/10	738 99	0.00	313 25	425 74
63 00 WEATHERFORD INTERNATIONAL	P	10/17/08	12/13/10	1,306 02	0.00	950 74	355 28
10.00 BAKER HUGHES INC	P	11/05/08	12/23/10	567 99	0.00	346 23	221 76
10.00 DOVER CORP	P	05/23/07	12/23/10	587.09	0.00	496.22	90.87
10 00 JACOBS ENGINEERING GROUP INC	P	12/31/08	12/23/10	454 39	0.00	491 92	-37.53
15 00 SCHLUMBERGER LTD	P	10/17/08	12/23/10	1,240 17	0 00	768 44	471 73
CAPITAL GAIN DISTRIBUTION				0 00		0 00	75.65
TOTAL LONG TERM CAPITAL GAIN OR LOSS				111,736 41	.00	103,248 58	8,563 68

5 00 DEERE & CO	P	12/04/09	02/19/10	286 94	0.00	275 30	11 64
5 00 HESS CORP	P	07/31/09	02/19/10	304 39	0 00	276.21	28.18
5.00 JONES LANG LASALLE INC	P	07/01/09	02/19/10	322 14	0.00	166.02	156.12
30.00 KEYCORP -NEW	P	06/11/09	02/19/10	203.09	0.00	179.88	23.21
20.00 KEYCORP -NEW	P	06/11/09	02/19/10	135.40	0 00	119 92	15 48
10 00 MARRIOTT INTL INC NEW CL A	P	03/24/09	02/19/10	272.59	0.00	172 10	100 49
13 00 NORTHROP GRUMMAN CORP	P	04/01/09	02/19/10	801.82	0 00	563 95	237 87
2.00 NORTHROP GRUMMAN CORP	P	04/14/09	02/19/10	123 36	0 00	89 89	33 47
15 00 SAFEWAY INC NEW	P	05/29/09	02/19/10	358.19	0.00	299 96	58.23
15.00 STATE STREET CORP	P	11/25/09	02/19/10	710.69	0.00	622.38	88 31
2000 00 U S TREASURY NOTES SER E-2016	P	04/22/09	02/19/10	2,217 03	0.00	2,318 44	-101.41
1000 00 U S TREASURY NOTES SER R 2011	P	12/04/09	02/19/10	1,068 95	0 00	1,077.62	-8.67
1000 00 U S TREASURY NOTES SER S-2012	P	05/29/09	02/19/10	1,054 88	0 00	1,061.56	-6.68
15 00 SAFEWAY INC NEW	P	05/27/09	03/05/10	367 49	0 00	299.75	67 74
5 00 SAFEWAY INC NEW	P	05/29/09	03/05/10	122.50	0.00	99 99	22.51
4 00 MORGAN STANLEY	P	11/03/09	03/12/10	121 56	0 00	128.00	-6 44
6.00 MORGAN STANLEY	P	11/04/09	03/12/10	182 34	0 00	191 63	-9 29
5.00 MORGAN STANLEY	P	01/14/10	03/12/10	151 95	0.00	155 45	-3 50
8.00 UNITED STATES STEEL CORP NEW	P	12/24/09	03/12/10	491.27	0.00	450.15	41 12
7.00 UNITED STATES STEEL CORP NEW	P	01/04/10	03/12/10	429 86	0 00	404 67	25 19
1000 00 FEDERAL NATL MTG ASSN	P	02/03/10	03/16/10	1,005.50	0.00	1,004.00	1.50
2000 00 U S TREASURY NOTES SER E-2016	P	04/22/09	03/16/10	2,234.92	0 00	2,318.44	-83 52
1000.00 U S TREASURY NOTES SER R 2011	P	12/04/09	03/16/10	1,067 54	0.00	1,077.62	-10 08
1000 00 U S TREASURY NOTES SER S-2012	P	05/29/09	03/16/10	1,055.55	0 00	1,061.56	-6 01
9000 00 U S TREASURY NOTES SER R 2011	P	12/04/09	03/25/10	9,581 48	0 00	9,698.55	-117 07
5.00 PARKER-HANNIFIN CORP	P	04/27/09	04/12/10	346 99	0.00	215 00	131.99
12000.00 U S TREASURY NOTES SER S-2012	P	05/29/09	05/20/10	12,723 76	0 00	12,738 76	-15 00
5.00 JONES LANG LASALLE INC	P	07/01/09	06/14/10	360 33	0.00	166.02	194.31
1000 00 FEDERAL NATL MTG ASSN	P	02/03/10	06/17/10	1,007 50	0 00	1,004 00	3 50
13000 00 U S TREASURY BILLS	P	05/20/10	06/17/10	12,997.18	0.00	12,995 88	1.30
1000 00 U S TREASURY NOTES SER C-2014	P	03/25/10	06/17/10	1,121.17	0 00	1,102.66	18.51
8000 00 U S TREASURY NOTES SER C-2014	P	03/25/10	07/08/10	9,020.31	0 00	8,821.24	199.07
12000 00 FEDERAL NATL MTG ASSN	P	02/03/10	08/11/10	12,093.48	0.00	12,048.00	45.48
1000 00 U S TREASURY NOTES SER E-2016	P	01/07/10	08/20/10	1,181.37	0 00	1,104.02	77 35
4000 00 U S TREASURY NOTES SER E-2016	P	07/08/10	08/20/10	4,725.47	0 00	4,618 28	107 19
9.00 AGCO CORP	P	12/03/09	09/14/10	351 53	0 00	290.24	61 29
1 00 AGCO CORP	P	12/04/09	09/14/10	39 06	0 00	32 23	6 83
1 00 ALLIED WORLD ASSURANCE CO	P	05/11/10	09/14/10	54.05	0 00	43 75	10 30
2 00 ALLIED WORLD ASSURANCE CO	P	05/12/10	09/14/10	108 10	0.00	87 50	20 60
1 00 ALLIED WORLD ASSURANCE CO	P	05/13/10	09/14/10	54 05	0.00	45 00	9 05
4 00 ALLIED WORLD ASSURANCE CO	P	05/14/10	09/14/10	216.20	0 00	180 38	35.82
2 00 ALLIED WORLD ASSURANCE CO	P	05/17/10	09/14/10	108.10	0 00	90.50	17.60
7.00 DEERE & CO	P	12/03/09	09/14/10	494 26	0 00	380 62	113 64
13.00 DEERE & CO	P	12/04/09	09/14/10	917.91	0.00	715 79	202.12
1000.00 FEDERAL HOME LOAN MTG CORP	P	08/11/10	09/14/10	1,086.20	0 00	1,089.50	-3.30
10 00 HALLIBURTON CO HOLDINGS CO	P	12/31/09	09/14/10	315.09	0 00	303 63	11.46
1000.00 U S TREASURY NOTES SER B-2020	P	07/08/10	09/14/10	1,084 34	0 00	1,050.74	33 60
1000 00 U S TREASURY NOTES SER G-2015	P	08/20/10	09/14/10	1,063.28	0.00	1,065.90	-2 62
1000 00 U S TREASURY NOTES Z-2012	P	09/10/10	09/14/10	1,025 00	0.00	1,023 83	1.17
2 00 AGCO CORP	P	12/04/09	09/22/10	79 69	0 00	64 45	15 24
3 00 AGCO CORP	P	12/02/09	09/23/10	118.84	0.00	96 46	22 38
3 00 AGCO CORP	P	12/04/09	09/23/10	118 83	0 00	96 68	22.15
7 00 AGCO CORP	P	12/04/09	09/23/10	277 30	0 00	225 57	51 73
11000 00 U S TREASURY NOTES Z-2012	P	06/17/10	09/24/10	11,278.00	0 00	11,256 09	21 91
5000 00 U S TREASURY NOTES Z-2012	P	09/10/10	09/24/10	5,126 37	0 00	5,119 14	7.23
20.00 CONOCOPHILLIPS	P	12/31/09	10/19/10	1,211 17	0 00	1,022 71	188.46
1000 00 U S TREASURY NOTES SER G-2015	P	08/20/10	10/19/10	1,082.77	0.00	1,065.90	16 87
5000.00 U S TREASURY NOTES SER B-2020	P	07/08/10	11/16/10	5,360.16	0 00	5,253.71	106 45
10 00 BAKER HUGHES INC	P	06/02/10	12/13/10	554.29	0 00	393 59	160 70
1 00 BANK NEW YORK MELLON CORP	P	09/01/10	12/13/10	29 25	0 00	24 96	4 29
1.00 BANK NEW YORK MELLON CORP	P	09/02/10	12/13/10	29.25	0.00	25.19	4 06
3.00 BANK NEW YORK MELLON CORP	P	09/02/10	12/13/10	87.75	0.00	75 57	12.18
11.00 BANK NEW YORK MELLON CORP	P	09/03/10	12/13/10	321.74	0 00	285 32	36 42
5.00 CARNIVAL CORP	P	06/28/10	12/13/10	217.94	0 00	161 91	56 03
10 00 HALLIBURTON CO HOLDINGS CO	P	12/31/09	12/13/10	413 59	0 00	303 63	109 96
2 00 HESS CORP	P	06/23/10	12/13/10	149 64	0 00	109 59	40 05
5.00 MORGAN STANLEY	P	01/14/10	12/13/10	135 00	0.00	155 45	-20.45
5.00 NOBLE ENERGY INC	P	07/02/10	12/13/10	408 79	0.00	309 12	99 67
2 00 NUCOR CORP	P	12/24/09	12/13/10	85 36	0 00	94.08	-8 72
8 00 NUCOR CORP	P	12/28/09	12/13/10	341.43	0.00	382.33	-40 90
2000 00 U S TREASURY NOTES SER G-2015	P	08/20/10	12/13/10	2,069 45	0.00	2,131 80	-62.35
5.00 BAKER HUGHES INC	P	06/02/10	12/23/10	283 99	0.00	196 80	87 19
10 00 BHP BILLITON LTD SPONS	P	12/23/09	12/23/10	921 68	0 00	753 87	167 81
TOTAL SHORT TERM CAPITAL GAIN OR LOSS				**127,250.26**	**00**	**123,913.93**	**3,336.33**
TOTAL CAPITAL GAIN OR LOSS				**238,986.67**		**227,162.51**	**11,900 01**

2010 990-PF HEED Foundation EIN 94-3401972

Package Content

1) Form 990-PF
2) Check
3) Attachment, part I
4) Attachment, part II
5) Attachment, part IV

NOTE: No contributions, gifts, grants, etc were received, therefore Schedule B is not included.