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 , and ending

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: J.W. SEFTON FOUNDATION

A Employer identification number: 95-1513384

Number and street (or P O box number if mail is not delivered to street address): 2550 FIFTH AVENUE — Room/suite: 808

B Telephone number: (619) 685-2900

City or town, state, and ZIP code: SAN DIEGO, CA 92103

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: [X] 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) ▶$ 21,646,856.

J Accounting method: [X] 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))

	Line	(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	1,608.		N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	466,993.	466,993.		STATEMENT 1
	5a Gross rents	26,400.	26,400.		STATEMENT 2
	b Net rental income or (loss) <3,143.>				STATEMENT 3
	6a Net gain or (loss) from sale of assets not on line 10	1,935,225.			
	b Gross sales price for all assets on line 6a 22,365,378.				
	7 Capital gain net income (from Part IV, line 2)		1,935,225.		
	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)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	2,430,226.	2,428,618.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	8,100.	810.		7,290.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	11,474.	1,147.		10,327.
	b Accounting fees STMT 5	7,599.	760.		6,839.
	c Other professional fees STMT 6	82,889.	55,731.		27,158.
	17 Interest				
	18 Taxes STMT 7	31,889.	6,559.		25.
	19 Depreciation and depletion	2,955.	2,955.		
	20 Occupancy				
	21 Travel, conferences, and meetings	95.	0.		95.
	22 Printing and publications				
	23 Other expenses STMT 8	33,999.	26,586.		7,413.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	179,000.	94,548.		59,147.
	25 Contributions, gifts, grants paid	1,067,658.			1,067,658.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,246,658.	94,548.		1,126,805.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	1,183,568.			
	b **Net investment income** (if negative, enter -0-)		2,334,070.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

RECEIVED
MAY 16 2011
291 IRS-OSC
OGDEN, UT

SCANNED MAY 17 2011

023501 12-07-10 LHA **For Paperwork Reduction Act Notice, see the instructions**

Form **990-PF** (2010)

16

15400504 795635 SEFTON1601 2010.03050 J.W. SEFTON FOUNDATION SEFTON11

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	255,869.	16,795.	16,795.
	2	Savings and temporary cash investments	338,168.	213,404.	213,404.
	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			
	7	Other notes and loans receivable ▶ 800,000.			
		Less: allowance for doubtful accounts ▶ 0.	0.	800,000.	800,000.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 10	12,482,628.	14,035,746.	15,600,764.
	c	Investments - corporate bonds STMT 11	4,934,272.	4,131,245.	4,159,367.
	11	Investments - land, buildings, and equipment basis ▶ 89,896.			
		Less accumulated depreciation STMT 12▶ 47,366.	45,485.	42,530.	851,818.
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment: basis ▶ 9,036.			
		Less accumulated depreciation STMT 13▶ 9,036.			
	15	Other assets (describe ▶ INCOME RECEIVABLE)	4,438.	4,708.	4,708.
	16	**Total assets** (to be completed by all filers)	18,060,860.	19,244,428.	21,646,856.
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			
	22	Other liabilities (describe ▶ RENTAL DEPOSITS)	2,200.	2,200.	
	23	**Total liabilities** (add lines 17 through 22)	2,200.	2,200.	
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	18,058,660.	19,242,228.	
	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**	18,058,660.	19,242,228.	
	31	**Total liabilities and net assets/fund balances**	18,060,860.	19,244,428.	

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	18,058,660.
2	Enter amount from Part I, line 27a	2	1,183,568.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	19,242,228.
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	19,242,228.

Form **990-PF** (2010)

023511
12-07-10

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	JP MORGAN #23178 -- SEE ATTACHED STATEMENT	P	VARIOUS	VARIOUS
b	CHARLES SCHWAB #5587 -- SEE ATTACHED			
c	STATEMENT	P	VARIOUS	VARIOUS
d	CAPITAL GAINS DIVIDENDS			
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	1,311,770.		1,235,457.	76,313.
b				
c	21,033,586.		19,194,696.	1,838,890.
d	20,022.			20,022.
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				76,313.
b				
c				1,838,890.
d				20,022.
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	1,935,225.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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 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	829,090.	18,298,132.	.045310
2008	1,239,555.	21,513,860.	.057617
2007	1,234,093.	23,004,220.	.053646
2006	280,846.	5,445,985.	.051569
2005	277,587.	5,345,093.	.051933

2 **Total** of line 1, column (d)	2	.260075
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	.052015
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	19,956,911.
5 Multiply line 4 by line 3	5	1,038,059.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	23,341.
7 Add lines 5 and 6	7	1,061,400.
8 Enter qualifying distributions from Part XII, line 4	8	1,126,805.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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 ▶ [X] and enter 1% of Part I, line 27b	1	23,341.
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	23,341.
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	23,341.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 22,600.		
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	22,600.
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	741.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
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 instructions for definition)? *If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*	1b		X
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? N/A	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 instructions) ▶ CA			
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)? *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 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 ▶ J.W. SEFTON FOUNDATION Telephone no. ▶ 619-685-2900

Located at ▶ 2550 FIFTH AVENUE, SUITE 808 ZIP+4 ▶ 92103

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 N/A

			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		X
	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 instructions.)	N/A	2b		
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.)*	N/A	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)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** X (No)

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? N/A ☐ 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** X (No)

If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **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.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 14		8,100.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

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

Part IX-B **Summary of Program-Related Investments**

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

023561
12-07-10

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	18,703,008.
b	Average of monthly cash balances		1b	705,997.
c	Fair market value of all other assets		1c	851,818.
d	**Total** (add lines 1a, b, and c)		1d	20,260,823.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	20,260,823.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	303,912.
5	**Net value of noncharitable-use assets**. Subtract line 4 from line 3. Enter here and on Part V, line 4		5	19,956,911.
6	**Minimum investment return**. Enter 5% of line 5		6	997,846.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	997,846.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 23,341.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	23,341.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	974,505.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	974,505.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	974,505.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,126,805.
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions**. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,126,805.
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	5	23,341.
6	**Adjusted qualifying distributions**. Subtract line 5 from line 4	6	1,103,464.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				974,505.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008 22,595.				
e From 2009				
f Total of lines 3a through e	22,595.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 1,126,805.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				974,505.
e Remaining amount distributed out of corpus	152,300.			
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	174,895.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			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)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	174,895.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008 22,595.				
d Excess from 2009				
e Excess from 2010 152,300.				

Part XIV | Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

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	Prior 3 years			
	(a) 2010	(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 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).)

NONE

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.

NONE

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 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				
PRESIDIO LITTLE LEAGUE P.O. BOX 126308 SAN DIEGO, CA 92103	NONE	501(C)(3)	SYNTHETIC TURF WORK	60,000.
PRESIDIO LITTLE LEAGUE P.O. BOX 126308 SAN DIEGO, CA 92103	NONE	501(C)(3)	OPERATING EXPENSE GRANT	6,000.
SAN DIEGO NATURAL HISTORY MUSEUM P.O. BOX 121390 SAN DIEGO, CA 92101	NONE	501(C)(3)	OPERATING EXPENSE GRANT	1,000,000.
SAN DIEGO POLICE OFFICERS ASSOCIATION 8388 VICKERS STREET SAN DIEGO, CA 92111	NONE	501(C)(3)	HONOR GRAD CLASS RING	1,658.
Total			▶ 3a	1,067,658.
b Approved for future payment				
PRESIDIO LITTLE LEAGUE P.O. BOX 126308 SAN DIEGO, CA 92103	NONE	501(C)(3)	OPERATING EXPENSE GRANT	6,500.
Total			▶ 3b	6,500.

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
	(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	466,993.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	<3,143.>	
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	1,935,225.	
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)		0.		2,399,075.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 2,399,075.

(See worksheet in line 13 instructions 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).
	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)		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	

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
N/A		

Sign Here

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

▶ Signature of officer or trustee — 5/9/2011 Date ▶ President Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MARY MCGROARTY		5/5/11		

Firm's name ▶ LINDSAY & BROWNELL, LLP — Firm's EIN ▶

4225 EXECUTIVE SQUARE, SUITE 1150

Firm's address ▶ LA JOLLA, CA 92037 — Phone no. 858 5589200

Dowling & Yahnke
WEALTH MANAGEMENT
DISCIPLINE • INTEGRITY • KNOWLEDGE

Realized Gains and Losses

(Aggregated Same Day-Same Security Transactions)
The J. W. Sefton Foundation
4352-5587
From 01-01-10 Through 12-31-10

SHORT TERM GAINS/LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort. or Accretion	Gain or Loss Short Term
2,559 383	DFA Five-Year Global	03-18-2010	07/01/2010	29,000.00	28,644.81		355.19
4,626 578	PIMCo Total Return	03-18-2010	07/01/2010	52,000 00	51,083 11		916 89
2,901 998	Vangd IT Invest Adm	03-18-2010	07/01/2010	29,000 00	28,620.07		379 93
1,698 185	Vangd Infl Prot Adm	03-18-2010	07/01/2010	43,000 00	42,256.72		743 28
3,731.727	Vanguard GNMA Adm	03-18-2010	07/01/2010	41,000 00	40,345.59		654.41
50,000	FNMA 3.500% Due 08-25-14	03-25-2010	08/25/2010	50,000 00	50,450.00		-450.00
1,400	Adobe Systems Inc.	03-18-2010	10/15/2010	39,177.79	50,168.15		-10,990 36
700	Anadarko Petroleum	03-18-2010	10/15/2010	40,290.07	49,840.55		-9,550.48
1,600	BB&T Corp.	03-18-2010	10/15/2010	36,280.04	50,919.35		-14,639 31
900	BP PLC ADR	03-18-2010	10/15/2010	36,711 33	52,280 05		-15,568.72
2,900	Bank of America Corp	Various	10/15/2010	34,819.46	49,453 95		-14,634.49
1,600	Bank of NY Mellon	03-18-2010	10/15/2010	41,607.95	49,063.35		-7,455 40
800	Baxter International	Various	10/15/2010	38,967.19	47,184 15		-8,216.96
600	Becton Dickinson	Various	10/15/2010	45,608 88	47,703 95		-2,095 07
160	CME Group Inc	03-18-2010	10/15/2010	42,809 53	49,845 59		-7,036 06
2,700	Charles Schwab Corp	Various	10/15/2010	38,924.39	50,417 61		-11,493 22
1,900	Cisco Systems	03-18-2010	10/15/2010	44,319 20	50,130 95		-5,811 75
1,900	Conagra Inc	03-18-2010	10/15/2010	42,685.23	49,141 05		-6,455 82
700	General Dynamics	03-18-2010	10/15/2010	44,748 99	52,697 25		-7,948.26
1,100	Gilead Sciences	03-18-2010	10/15/2010	41,307 45	52,223 75		-10,916 30
300	Goldman Sachs	03-18-2010	10/15/2010	45,564 30	53,093 05		-7,528.75
900	Hewlett-Packard	03-18-2010	10/15/2010	38,484 30	47,465.05		-8,980.75
2,300	Intel	Various	10/15/2010	44,173 30	50,953 95		-6,780 65
600	Lockheed Martin	03-18-2010	10/15/2010	42,093 54	51,464 35		-9,370 81
2,000	Lowes Companies Inc.	03-18-2010	10/15/2010	42,752.33	49,866.95		-7,114 62
800	Medco Health	03-18-2010	10/15/2010	42,527.05	52,479 35		-9,952.30
1,100	Medtronic Inc	03-18-2010	10/15/2010	36,577 53	49,507.85		-12,930 32
1,700	Microsoft Inc.	03-18-2010	10/15/2010	43,257 02	50,325 55		-7,068.53
1,700	Morgan Stanley	03-18-2010	10/15/2010	42,526 03	50,973 25		-8,447 22
3,300	Nokia	03-18-2010	10/15/2010	35,764.76	50,234 95		-14,470 19
1,500	Paychex	03-18-2010	10/15/2010	41,406 85	48,620.95		-7,214 10
700	Research In Motion	03-18-2010	10/15/2010	33,983 11	52,171 55		-18,188.44
2,100	Staples Inc	Various	10/15/2010	43,650 99	49,986.12		-6,335 13
1,100	State Street Corp	03-18-2010	10/15/2010	43,969.74	50,727 75		-6,758 01
900	Stryker Corporation	03-18-2010	10/15/2010	43,932.81	50,722.15		-6,789 34
600	Transocean	03-18-2010	10/15/2010	40,185.57	49,987.75		-9,802 18
1,900	US Bancorp	03-18-2010	10/15/2010	43,122 03	49,141 05		-6,019 02
600	Visa Inc.	03-18-2010	10/15/2010	46,510 06	54,343.75		-7,833 69
1,700	Wells Fargo & Co	03-18-2010	10/15/2010	40,469 07	50,939 25		-10,470 18
7,890.679	DFA Intl REIT	03-18-2010	10/28/2010	44,000 00	38,114.89		5,885.11
2,640 433	DFA Real Estate	03-18-2010	10/28/2010	56,000 00	50,382 03		5,617 97
4,179 360	DFA US Micro Cap	03-18-2010	10/28/2010	51,000.00	48,526.03		2,473.97
871 991	Vangd Sm Cap Gr Ind	03-19-2010	10/28/2010	17,000 00	15,872 26		1,127 74
10,538.461	Vanguard Total Int'l	03-18-2010	10/28/2010	163,000.00	153,660.16		9,339 84
1,400	CVS Caremark Corp	03-18-2010	11/17/2010	41,840 54	49,049 55		-7,209.01
1,600	Encana Corp	03-18-2010	11/17/2010	44,393 50	50,839 35		-6,445 85
2,800	General Electric Co.	Various	11/17/2010	44,342.30	50,828 95		-6,486.65
2,700	Merck & Co Inc.	Various	11/17/2010	93,463.47	101,315 34		-7,851 87
800	Wellpoint Inc.	03-18-2010	11/17/2010	45,088.21	50,831 35		-5,743 14
TOTAL SHORT TERM:				**2,203,335.91**	**2,514,894.54**		**-311,558.63**

LONG TERM GAINS/LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort. or Accretion	Gain or Loss Long Term
93,920 040	Artio Intl Eq II	03-01-2009	03/18/2010	1,107,268.27	1,338,983 15		-231,714 88
9,120 000	Barclays TIP ETF	03-01-2009	03/18/2010	953,203 82	962,301 89		-9,098 07
87,512 443	Causeway Intl Value	03-01-2009	03/18/2010	1,013,345 09	1,158,541 38		-145,196 29
7,220 000	EAFE Index ETF	03-01-2009	03/18/2010	403,583.92	400,871 01		2,712 91

Dowling & Yahnke
WEALTH MANAGEMENT
DISCIPLINE · INTEGRITY · KNOWLEDGE

Realized Gains and Losses

(Aggregated Same Day-Same Security Transactions)
The J. W. Sefton Foundation
4352-5587
From 01-01-10 Through 12-31-10

LONG TERM GAINS/LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort. or Accretion	Gain or Loss Long Term
79,436 264	Edgewood Growth	03-01-2009	03/18/2010	804,640 35	804,690.12		-49 77
123,707.002	JP Morgan US Lg Core	03-01-2009	03/18/2010	2,360,280.60	1,679,126 83		681,153.77
191,658 857	JPMorg Sh Duration	03-01-2009	03/18/2010	2,089,032.54	2,045,000 00		44,032.54
120,454.414	Manning & Napier Eq	03-01-2009	03/18/2010	2,148,906 75	1,711,295 53		437,611.22
34,065 099	Matthews Pac Tiger	03-01-2009	03/18/2010	665,972 69	468,000 00		197,972 69
19,200.960	Nuveen Trdewnds Val	03-01-2009	03/18/2010	607,661 38	382,099 10		225,562 28
70,832 361	TR Price New Asia	03-01-2009	03/18/2010	1,160,185.07	1,162,000 00		-1,814 93
178,549 173	Virtus Bond	03-01-2009	03/18/2010	1,949,707 97	1,885,809.74		63,898 23
60,926 515	Virtus Foreign Oppty	03-01-2009	03/18/2010	1,259,911.33	933,911 63		325,999.70
3,440.000	iSh Asia ex Jpn ETF	03-01-2009	03/18/2010	193,557 39	153,729 47		39,827 92
12,435.000	iShrs Rus 2000 ETF	03-01-2009	03/18/2010	849,663.80	697,365 99		152,297.81
14,125.000	iShrs Rus Midcap ETF	03-01-2009	03/18/2010	1,263,328 71	896,075 97		367,252 74
TOTAL LONG TERM:				**18,830,249.68**	**16,679,801.81**		**2,150,447.87**
		TOTAL REALIZED GAIN/LOSS					1,838,889 24
		TOTAL PROCEEDS		21,033,585.59			

J.P. Morgan

J W SEFTON FOUNDATION
Account Number A 23178-00-6

Capital Gain and Loss Schedule

Transactions

NO COST BASIS PROVIDED FOR THIS SALE.
SEE COST BASIS WP ATTACHED.

Note
S indicates Short Term Realized Gain/Loss
L indicates Long Term Realized Gain/Loss
F indicates Foreign Exchange Gain/Loss on Capital Transactions
O indicates Ordinary Income Gain

Security Description	Units	Acq Date	Sold Date	Net Proceeds	Tax Cost	Total Gain/Loss
EDGEWOOD GROWTH FUND	28,909 460	02/26/08	01/25/10	281,000 00	341,709 88	L -60,709 88
NUVEEN NWQ VALUE OPPORTUNITIES FUND	7,432 200	10/16/08	01/25/10	222,000 00	147,900 90	L 74,099 10
VIRTUS OPPORTUNITIES TR VIRTUS BD FD	38,205 360	10/22/08	01/25/10	413,000 00	403,519,37	L 9,480 63
ISHARES RUSSELL MIDCAP INDEX FUND @ 81 52 55,026 00 BROKERAGE 13 50 TAX &/OR SEC 70 J P MORGAN SECURITIES INC	675 000	09/16/09	01/25/10	55,011 80	53,933 38	S 1,078 42
ISHARES RUSSELL 2000 INDEX FUND @ 61 65 59,800 50 BROKERAGE 19 40 TAX &/OR SEC 76 KNIGHT SECURITIES BROADCORT CAP	970 000	07/30/09	01/25/10	59,780 34	54,398 47	S 5,381 87

J W SEFTON FOUNDATION
Account Number A 23178-00-6

Capital Gain and Loss Schedule

Transactions

Note S indicates Short Term Realized Gain/Loss
L indicates Long Term Realized Gain/Loss
F indicates Foreign Exchange Gain/Loss on Capital Transactions
O indicates Ordinary Income Gain

Security Description	Units	Acq Date	Sold Date	Net Proceeds	Tax Cost	Total Gain/Loss
ISHARES MSCI ASIAN EX JAPAN @ 54 0548 281,084 96 BROKERAGE 104 00 TAX &/OR SEC 3 57 KNIGHT SECURITIES BROADCORT CAP	5,200 000	06/04/09	01/25/10	280,977 39	233,995 19	S 46,982 20
Total Gain/Loss				**916,000.00**	**893,130.15**	**L 22,869.85**
				395,769.53	**342,327.04**	**S 53,442.49**

Note Your capital gain and loss schedule will show an N/A for the gain or loss for sales where we have incomplete or missing tax cost. Please consult your tax advisor for appropriate tax reporting on these sales

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	GUY STREET PROPERTY											
1	LAND	72	SL	.000	16	11,416.			11,416.			0.
2	BUILDING	72	SL	25.00	16	15,000.			15,000.	15,000.		0.
3	ROOF	031391	SL	27.50	16	12,136.			12,136.	8,161.		441.
	* 990-PF RENTAL TOTAL - GUY STREET					38,552.		0.	38,552.	23,161.	0.	441.
	GUY STREET IMPROVEMENTS											
5	IMPROVEMENTS	120196	SL	27.50	16	13,329.			13,329.	6,319.		485.
6	WALL REPAIR	051297	SL	27.50	16	550.			550.	252.		20.
7	ENTRY STOOP	032497	SL	27.50	16	3,149.			3,149.	1,471.		115.
8	NEW LOCK SETS	010797	SL	27.50	16	395.			395.	181.		14.
9	LANDSCAPING	030497	SL	15.00	16	2,522.			2,522.	2,142.		168.
13	MAHOGONY BLINDS	042402	200DB	7.00	17	2,000.		600.	1,400.	1,400.		0.
14	STUCCO WASH REPAIR & PAINT	050302	SL	27.50	17	6,148.			6,148.	1,708.		224.
15	LANDSCAPE LIGHTS	062402	SL	27.50	17	1,133.			1,133.	309.		41.
16	IMPROVEMENTS	062402	SL	27.50	17	2,877.			2,877.	792.		105.
17	SECURITY SYSTEM	111502	SL	27.50	17	5,740.			5,740.	1,489.		209.
18	SECURITY SYSTEM	111502	SL	27.50	17	1,331.			1,331.	342.		48.
21	LEASEHOLD IMPROV - GATE	112403	SL	27.50	16	1,508.			1,508.	335.		55.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2010 DEPRECIATION AND AMORTIZATION REPORT

RENTAL REAL ESTATE RENT 1

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
24	LEASEHOLD IMPROVEMENTS - WOOD	092304	SL	27.50	17	1,456.			1,456.	280.		53.
26	OUTDOOR LIGHTING	083105	SL	27.50	17	1,045.			1,045.	166.		38.
31	LEASEHOLD IMPROV - PATIO COVER	110706	SL	27.50	17	1,276.			1,276.	144.		46.
	* 990-PF RENTAL TOTAL - GUY STREET					44,459.		600.	43,859.	17,330.	0.	1,621.
	GUY STREET FURNISHINGS											
20	REFRIGERATOR	082102	SL	27.50	17	2,174.			2,174.	583.		79.
25	DISHWASHER	040505	200DB	5.00	17	611.			611.	576.		35.
40	A/C SYSTEM	110209	200DB	5.00	17	4,100.		2,050.	2,050.	103.		779.
	* 990-PF RENTAL TOTAL - GUY STREET					6,885.		2,050.	4,835.	1,262.	0.	893.
	GUY STREET SOFTWARE											
23	SOFTWARE	052003		36M	43	840.			840.	840.		0.
	* 990-PF RENTAL TOTAL - GUY STREET					840.		0.	840.	840.	0.	0.
	* GRAND TOTAL 990-PF RENTAL DEPR					90,736.		2,650.	88,086.	42,593.	0.	2,955.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1 990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
12	SOFTWARE	050901		36M	43	4,026.			4,026.	4,026.		0.
19	SOFTWARE	080602		36M	43	4,170.			4,170.	4,170.		0.
	* TOTAL 990-PF PG 1 DEPR & AMORT					8,196.		0.	8,196.	8,196.	0.	0.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME - JPM #23178	30,401.	0.	30,401.
DIVIDEND INCOME - SCHWAB #5587	435,313.	20,022.	415,291.
INTEREST INCOME - JPM #23178	103.	0.	103.
INTEREST INCOME - SCHWAB #5587	20,907.	0.	20,907.
OTHER DIVIDENDS	291.	0.	291.
TOTAL TO FM 990-PF, PART I, LN 4	487,015.	20,022.	466,993.

FORM 990-PF RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
RENTAL REAL ESTATE	1	26,400.
TOTAL TO FORM 990-PF, PART I, LINE 5A		26,400.

FORM 990-PF RENTAL EXPENSES STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		2,955.	
MAINTENANCE		22,398.	
REAL ESTATE TAX		1,238.	
INSURANCE		1,806.	
UTILITIES		1,146.	
- SUBTOTAL -	1		29,543.
TOTAL RENTAL EXPENSES			29,543.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			<3,143.>

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	11,474.	1,147.		10,327.
TO FM 990-PF, PG 1, LN 16A	11,474.	1,147.		10,327.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	7,599.	760.		6,839.
TO FORM 990-PF, PG 1, LN 16B	7,599.	760.		6,839.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER PROFESSIONAL FEES	82,889.	55,731.		27,158.
TO FORM 990-PF, PG 1, LN 16C	82,889.	55,731.		27,158.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	25,305.	0.		0.
STATE TAXES	25.	0.		25.
FOREIGN TAXES	5,321.	5,321.		0.
REAL ESTATE TAX	1,238.	1,238.		0.
TO FORM 990-PF, PG 1, LN 18	31,889.	6,559.		25.

FORM 990-PF OTHER EXPENSES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE	1,987.	1,000.		987.
DUES & MEMBERSHIPS	3,765.	0.		3,765.
OFFICE SUPPLIES	2,333.	233.		2,100.
EDUCATION, TRAINING, & SEMINARS	490.	0.		490.
MEALS AND ENTERTAINMENT	49.	0.		49.
BANK SERVICE CHARGES	25.	3.		22.
MAINTENANCE	22,398.	22,398.		0.
INSURANCE	1,806.	1,806.		0.
UTILITIES	1,146.	1,146.		0.
TO FORM 990-PF, PG 1, LN 23	33,999.	26,586.		7,413.

FOOTNOTES STATEMENT 9

PART VII-B, QUESTION 1(A)(3).

GOODS, SERVICES, OR FACILITIES FURNISHED BY A DISQUALIFIED PERSON

AN ANNUAL PAYMENT IS MADE TO THE KENNEBEC FINANCIAL CORPORATION, WHICH IS OWNED BY DISQUALIFIED PERSONS RELATED TO J.W. SEFTON FOUNDATION. KENNEBEC FINANCIAL CORPORATION PROVIDES ADMINISTRATIVE AND ACCOUNTING SERVICES TO THE J.W. SEFTON FOUNDATION FOR A REASONABLE FEE. THIS IS AN EXCEPTED ACT OF SELF-DEALING UNDER IRC SECTION 4941(D)(2)(E).

FORM 990-PF	CORPORATE STOCK	STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	14,035,746.	15,600,764.
TOTAL TO FORM 990-PF, PART II, LINE 10B	14,035,746.	15,600,764.

FORM 990-PF	CORPORATE BONDS	STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	4,131,245.	4,159,367.
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,131,245.	4,159,367.

FORM 990-PF	DEPRECIATION OF ASSETS HELD FOR INVESTMENT	STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	11,416.	0.	11,416.
BUILDING	15,000.	15,000.	0.
ROOF	12,136.	8,602.	3,534.
IMPROVEMENTS	13,329.	6,804.	6,525.
WALL REPAIR	550.	272.	278.
ENTRY STOOP	3,149.	1,586.	1,563.
NEW LOCK SETS	395.	195.	200.
LANDSCAPING	2,522.	2,310.	212.
MAHOGONY BLINDS	2,000.	2,000.	0.
STUCCO WASH REPAIR & PAINT	6,148.	1,932.	4,216.
LANDSCAPE LIGHTS	1,133.	350.	783.
IMPROVEMENTS	2,877.	897.	1,980.
SECURITY SYSTEM	5,740.	1,698.	4,042.
SECURITY SYSTEM	1,331.	390.	941.
REFRIGERATOR	2,174.	662.	1,512.
LEASEHOLD IMPROV - GATE	1,508.	390.	1,118.
SOFTWARE	840.	840.	0.
LEASEHOLD IMPROVEMENTS - WOOD FENCE	1,456.	333.	1,123.
DISHWASHER	611.	611.	0.
OUTDOOR LIGHTING	1,045.	204.	841.
LEASEHOLD IMPROV - PATIO COVER	1,276.	190.	1,086.
A/C SYSTEM	4,100.	2,932.	1,168.
TOTAL TO FM 990-PF, PART II, LN 11	90,736.	48,198.	42,538.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 13

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SOFTWARE	4,026.	4,026.	0.
SOFTWARE	4,170.	4,170.	0.
TOTAL TO FM 990-PF, PART II, LN 14	8,196.	8,196.	0.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONNA K. SEFTON 2550 FIFTH AVENUE, SUITE 808 SAN DIEGO, CA 92103	VICE-PRESIDENT/SECRETARY 1.00	2,100.	0.	0.
HARLEY SEFTON 2550 FIFTH AVENUE, SUITE 808 SAN DIEGO, CA 92103	PRESIDENT 1.00	1,800.	0.	0.
LAURIE S. HENSON 2550 FIFTH AVENUE, SUITE 808 SAN DIEGO, CA 92103	DIRECTOR EMERITUS 0.00	0.	0.	0.
PETER R. LADOW 2550 FIFTH AVENUE, SUITE 808 SAN DIEGO, CA 92103	TREASURER 0.50	2,100.	0.	0.
ROBERT SCOTT 2550 FIFTH AVENUE, SUITE 808 SAN DIEGO, CA 92103	DIRECTOR 0.25	2,100.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		8,100.	0.	0.