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Form **990-PF**

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

OMB No 1545-0052

2010Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, 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

**THE WALKER FOUNDATION
C/O DEREK SMEAD**

A Employer identification number

95-4677130

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

P.O. BOX 286

Room/suite

B Telephone number (see page 10 of the instructions)

714-925-7760

City or town, state, and ZIP code

PEBBLE BEACH CA 93953H Check type of organization ☐ Section 501(c)(3) exempt private foundation☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at
end of year (from Part II, col (c),
line 16) ▶ \$J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)**1,959,889** (Part I, column (d) must be on cash basis)C If exemption application is pending, check here ▶ ☐D 1. Foreign organizations, check here ▶ ☐2. Foreign organizations meeting the
85% test, check here and attach computation ▶ ☐E If private foundation status was terminated under
section 507(b)(1)(A), check here ▶ ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ▶ ☐

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

(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	20,454	20,454		
	4	Dividends and interest from securities	50,033	50,033		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 STMT 1	5,345			
	b	Gross sales price for all assets on line 6a 5,345				
	7	Capital gain net income (from Part IV, line 2)		5,345		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
Operating and Administrative Expenses	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	Total. Add lines 1 through 11	75,832	75,832	0	
	13	Compensation of officers, directors, trustees, etc	52,105	30,420		21,685
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits	11,687	2,337		9,350
	16a	Legal fees (attach schedule) SEE STMT 2	258			258
	b	Accounting fees (attach schedule) STMT 3	10,486			10,486
	c	Other professional fees (attach schedule) STMT 4	8,660	7,556		1,104
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 5	2,329	464		1,865
	19	Depreciation (attach schedule) and depletion STMT 6	465			
	20	Occupancy	32,356			8,055
	21	Travel, conferences, and meetings	1,246			1,246
	22	Printing and publications				
	23	Other expenses (att. sch) STMT 7	7,914	398		5,850
	24	Total operating and administrative expenses. Add lines 13 through 23	127,506	41,175	0	59,899
	25	Contributions, gifts, grants paid	105,000			105,000
	26	Total expenses and disbursements. Add lines 24 and 25	232,506	41,175	0	164,899
	27	Subtract line 26 from line 12				
	a	Excess of revenue over expenses and disbursements	-156,674			
	b	Net investment income (if negative, enter -0-)		34,657		
	c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2010)

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			72,647	15,809	15,809
	2	Savings and temporary cash investments			423,981	215,533	215,533
	3	Accounts receivable ▶					
		Less allowance for doubtful accounts ▶					
	4	Pledges receivable ▶					
		Less allowance for doubtful accounts ▶					
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	SEE WORKSHEET		897	921	921
	7	Other notes and loans receivable (att schedule) ▶					
		Less allowance for doubtful accounts ▶	0				
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges					
	10a	Investments—U S and state government obligations (attach schedule)	STMT 8		98,930	98,930	126,947
	b	Investments—corporate stock (attach schedule)	SEE STMT 9		108,662	108,662	108,662
	c	Investments—corporate bonds (attach schedule)	SEE STMT 10		407,935	407,935	388,032
Liabilities	11	Investments—land, buildings, and equipment basis ▶					
		Less accumulated depreciation (attach sch) ▶					
	12	Investments—mortgage loans					
	13	Investments—other (attach schedule)	SEE STATEMENT 11		941,963	1,048,511	1,100,643
	14	Land, buildings, and equipment basis ▶	5,459				
		Less accumulated depreciation (attach sch) ▶	STMT 12	2,117	1,302	3,342	3,342
	15	Other assets (describe ▶)					
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)			2,056,317	1,899,643	1,959,889
Net Assets or Fund Balances	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe ▶)					
	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			2,056,317	1,899,643	
	25	Temporarily restricted					
	26	Permanently restricted					
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg , and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds					
	30	Total net assets or fund balances (see page 17 of the instructions)			2,056,317	1,899,643	
Net Assets or Fund Balances	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)			2,056,317	1,899,643	

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	2,056,317
2	Enter amount from Part I, line 27a	2	-156,674
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,899,643
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,899,643

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 SCHWAB CAPITAL GAIN DIVIDENDS				
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 5,345			5,345	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a			5,345	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)			2	5,345
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	

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

If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions).
If (loss), enter -0- in Part I, line 8

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

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

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

☐ Yes ☒ No

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

(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	205,142	2,114,981	0.096995
2008	213,980	2,432,897	0.087953
2007	35,120	2,886,756	0.012166
2006	158,984	3,033,933	0.052402
2005	144,211	3,093,192	0.046622
2 Total of line 1, column (d)			2 0.296138
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 0.059228
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 1,974,339
5 Multiply line 4 by line 3			5 116,936
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 347
7 Add lines 5 and 6			7 117,283
8 Enter qualifying distributions from Part XII, line 4			8 164,899

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	347
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	347
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	347
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,550
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	1,550
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,203
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax 1,203 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ (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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the 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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► DEREK SMEAD P.O. BOX 286 Located at ► PEBBLE BEACH CA ZIP+4 ► 93953 Telephone no ► ☐			
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			
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? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	1b	X
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? N/A	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? If "Yes," list the years ► 20 , 20 , 20 , 20	☐ Yes	☒ No
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) 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 ► 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) 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)? (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)? **N/A** ☐ **5b**

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **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** ☒

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 (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
SANDRA WADSWORTH P.O. BOX 286 PEBBLE BEACH CA 93953	DIRECTOR 2.00	0	0	0
DEREK J. SMEAD P.O. BOX 286 PEBBLE BEACH CA 93953	PRESIDENT 10.00	27,105	0	0
HARMON KONG 19200 VON KARMAN AVE SUITE 1030 IRVINE CA 92612	SECRETARY AN 5.00	25,000	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**0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 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 N/A	
2	
All other program-related investments See page 24 of the instructions 3	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,641,780
b	Average of monthly cash balances	1b	362,625
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	2,004,405
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	2,004,405
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	30,066
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,974,339
6	Minimum investment return. Enter 5% of line 5	6	98,717

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	98,717
2a	Tax on investment income for 2010 from Part VI, line 5	2a	347
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	347
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	98,370
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	98,370
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	98,370

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	164,899
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	164,899
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	347
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	164,552

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				98,370
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				34,603
e From 2009				99,817
f Total of lines 3a through e	134,420			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 164,899				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				98,370
e Remaining amount distributed out of corpus	66,529			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	200,949			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				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)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	200,949			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				34,603
d Excess from 2009				99,817
e Excess from 2010				66,529

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				
ST. MARY'S COLLEGE 1928 SAINT MARY'S ROAD MORAGA CA 94556	NONE	EDUCATIONAL	PROGRAMMING	45,000
MONTEREY RAPE CRISIS CENT 173 SARGENT COURT MONTEREY CA 93940	NONE		EDUCATION FUNDING	10,000
CARMEL BACH FESTIVAL P.O. BOX 575 CARMEL CA 93921	NONE	EDUCATIONAL	PROGRAMMING	7,500
COMMUNITY PARTNERSHIP FOR 800 PORTOLA DRIVE DEL REY OAKS CA 93940	NONE	EDUCATIONAL	PROGRAMMING	10,000
THE INNOCENCE MISSION 3941 BRISTOL STREET SANTA ANA CA 92704	NONE	GENERAL PURPOSE	FUNDING	5,000
MONTEREY HISTORY & ART AS 5 CUSTOM HOUSE PLAZA MONTEREY CA 93940	NONE	EDUCATIONAL	PROGRAMMING	10,000
PACIFIC GROVE MUSEUM OF N 165 FOREST AVENUE PACIFIC GROVE CA 93950	NONE	EDUCATIONAL	PROGRAMMING	15,000
CA INTERNATIONAL AIRSHOW P.O. BOX 1448 SALINAS CA 93902	NONE	GENERAL PURPOSE	FUNDING	2,500
Total			► 3a	105,000
b Approved for future payment N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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			14	20,454	
4	Dividends and interest from securities			14	50,033	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			18	5,345	
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		75,832	0
13	Total. Add line 12, columns (b), (d), and (e)				13	75,832

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

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

[illegible]

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2010Attachment
Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

THE WALKER FOUNDATION
C/O DEREK SMEAD

Identifying number

95-4677130

Business or activity to which this form relates

INDIRECT DEPRECIATION**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	465
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	465
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2010)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Forms
990 / 990-PF**Receivables Due from Officers, Directors,
Trustees, and Key Employees****2010**

For calendar year 2010, or tax year beginning , and ending

Name

**THE WALKER FOUNDATION
C/O DEREK SMEAD**

Employer Identification Number

95-4677130**FORM 990-PF, PART II, LINE 6 - ADDITIONAL INFORMATION**

Name of borrower	Title
(1) DEREK SMEAD	PRESIDENT
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 897	12/31/09	12/31/11	ON DEMAND	
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	897	921	921
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	897	921	921

Federal Statements

11/11/2011 11:22 AM

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description	Whom Sold	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	PURCHASE				
COMPUTER		2/01/00	6/30/10	\$	PURCHASE	2,171	\$	2,171	\$
COMPUTER		7/23/01	6/30/10		PURCHASE	1,532		1,532	
COMPUTER		10/22/03	6/30/10		PURCHASE	2,261		2,261	
COMPUTER-LAPTOP		5/12/05	6/30/10		PURCHASE	2,683		2,683	
TOTAL				\$		8,647	\$	8,647	\$

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 258	\$		\$ 258
TOTAL	\$ 258	\$ 0	\$ 0	\$ 258

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 10,486	\$		\$ 10,486
TOTAL	\$ 10,486	\$ 0	\$ 0	\$ 10,486

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT MANAGEMENT FEES	\$ 7,556	\$ 7,556	\$	\$ 1,104
PAYROLL SERVICES	1,104			
TOTAL	<u>\$ 8,660</u>	<u>\$ 7,556</u>	<u>\$ 0</u>	<u>\$ 1,104</u>

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
STATE FILING FEE	\$ 10		\$	\$ 10
PAYROLL TAX	2,319	464		1,855
TOTAL	<u>\$ 2,329</u>	<u>\$ 464</u>	<u>\$ 0</u>	<u>\$ 1,865</u>

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
COMPUTER 2/01/00		\$ 2,171	\$ 2,171	S/L	3	\$	\$	\$
COMPUTER 7/23/01		1,532	1,532	S/L	3			
COMPUTER 10/22/03		2,261	2,261	S/L	5			
COMPUTER-LAPTOP 5/12/05		2,683	2,505	S/L	5	178		
FURNITURE 9/23/06		967	319	S/L	10	97		
COMPUTER-LAPTOP 3/17/08		1,987	1,511	200DB	5	190		
TOTAL		\$ 11,601	\$ 10,299			\$ 465	\$ 0	\$ 0

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
INSURANCE	1,666			
BANK CHARGES	398	398		
TELECOMMUNICATIONS	4,887			4,887
SUPPLIES	963			963
TOTAL	\$ 7,914	\$ 398	\$ 0	\$ 5,850

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
UST INFL IDX 1.875% DUE 7/15/2013	\$ 98,930	\$ 98,930	COST	\$ 126,947
TOTAL	\$ 98,930	\$ 98,930		\$ 126,947

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
951,767 SHS APOLLO STOCK	\$ 108,662	\$ 108,662	COST	\$ 108,662
TOTAL	\$ 108,662	\$ 108,662		\$ 108,662

Statement 10 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ABBOTT LABS 5.15%	\$ 40,019	\$ 40,019	COST	\$ 43,247
GENERAL ELECTRIC CO 5.0% DUE 2/01/13	98,641	98,641	COST	106,894
GOLDMAN SACHS 5.5% DUE 11/15/2014	49,805	49,805	COST	54,620
LEHMAN BROS HOLDGS 0%	50,000	50,000	COST	6,000
PEPSICO 4.65%	39,806	39,806	COST	42,952
GOLDMAN SACHS 4.6% DUE 8/15/2015	50,000	50,000	COST	49,855
UNITEDHEALTH GROUP 5% DUE 8/15/14	29,260	29,260	COST	32,477
WESTERN UN CO 5.4% DUE 11/17/11	50,404	50,404	COST	51,987
TOTAL	\$ 407,935	\$ 407,935		\$ 388,032

Federal Statements

Statement 11 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
KBS REAL ESTATE INVT TR	\$ 150,000	\$ 150,000	COST	\$ 116,809
SPDR GOLD TRUST	89,146	89,146	COST	138,720
PIMCO TOTAL RETURN FUND	300,446	300,446	COST	306,626
CREDIT SUISSE COMMODITY	50,000	54,409	COST	66,145
ISHARES TR BARCLAYS BOND	197,384	197,384	COST	210,360
VANGUARD BOND INDEX FUND	154,987	154,987	COST	160,540
TEMPLETON GLOBAL BOND FUND		102,139	COST	101,443
TOTAL	\$ 941,963	\$ 1,048,511		\$ 1,100,643

Statement 12 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
EQUIPMENT	\$ 1,302	\$ 5,459	\$ 2,117	\$ 3,342
TOTAL	\$ 1,302	\$ 5,459	\$ 2,117	\$ 3,342