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

OMB No 1545-0052

**2010**Department 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 JUL 1, 2010, and ending JUN 30, 2011

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 <b>WATERS CHARITABLE FOUNDATION</b>		A Employer identification number <b>73-1323325</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>6846 S. TRENTON AVE.</b>	Room/suite	B Telephone number <b>(918) 488-0311</b>
City or town, state, and ZIP code <b>TULSA, OK 74136</b>		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>11,215,127.</b> (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		11,745.	11,745.		STATEMENT 1
4 Dividends and interest from securities		356,487.	356,487.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		422,996.			
b Gross sales price for all assets on line 6a	693,815.				
7 Capital gain net income (from Part IV, line 2)			422,996.		
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		791,228.	791,228.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	22,417.	3,363.		19,054.
c Other professional fees	STMT 4	81,109.	68,943.		12,166.
17 Interest					
18 Taxes	STMT 5	7,888.	7,888.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 6	865.	130.		735.
24 Total operating and administrative expenses. Add lines 13 through 23		112,279.	80,324.		31,955.
25 Contributions, gifts, grants paid		431,155.			431,155.
26 Total expenses and disbursements. Add lines 24 and 25		543,434.	80,324.		463,110.
27 Subtract line 26 from line 12		247,794.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			710,904.		
c Adjusted net income (if negative, enter -0-)				N/A	

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	274,383.	427,764.	427,764.
	2	Savings and temporary cash investments			
	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			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations STMT 7	1,288,580.	1,589,648.	1,662,051.
	b	Investments - corporate stock STMT 8	3,891,658.	3,579,845.	7,214,990.
	c	Investments - corporate bonds STMT 9	1,687,329.	1,686,886.	1,744,959.
Liabilities	11	Investments - land, buildings, and equipment basis			
		Less: accumulated depreciation			
	12	Investments - mortgage loans			
	13	Investments - other STMT 10	43,289.	148,890.	165,363.
	14	Land, buildings, and equipment basis			
		Less: accumulated depreciation			
	15	Other assets (describe )			
	16	Total assets (to be completed by all filers)	7,185,239.	7,433,033.	11,215,127.
	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 )			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted	7,185,239.	7,433,033.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here <input type="checkbox"/> 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	7,185,239.	7,433,033.	
	31	Total liabilities and net assets/fund balances	7,185,239.	7,433,033.	

## 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	7,185,239.
2	Enter amount from Part I, line 27a	2	247,794.
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	7,433,033.
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	7,433,033.

**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 FLOWERS FOODS, INC	P	10/30/01	11/16/10
b FEDERAL HOME LOAN BANKS	P	02/11/09	02/11/11
c CAPITAL GAINS DIVIDENDS			
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 480,215.		70,819.	409,396.
b 200,000.		200,000.	0.
c 13,600.			13,600.
d			
e			

(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			409,396.
b			0.
c			13,600.
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	422,996.
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	447,252.	9,439,251.	.047382
2008	510,653.	9,099,362.	.056120
2007	473,288.	10,427,573.	.045388
2006	474,258.	9,842,740.	.048184
2005	409,173.	9,512,785.	.043013

2 Total of line 1, column (d)	2	.240087
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	.048017
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	9,986,261.
5 Multiply line 4 by line 3	5	479,510.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	7,109.
7 Add lines 5 and 6	7	486,619.
8 Enter qualifying distributions from Part XII, line 4	8	463,110.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	14,218.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	14,218.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	14,218.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	6,400.	
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	6,400.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	7,818.	
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	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 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. \$ 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.		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?	N/A	
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 instructions) <input type="checkbox"/> OK		
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)? 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

**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 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 ► <u>JOE WYATT, EXEC. DIRECTOR</u> Telephone no ► <u>918-488-0311</u> Located at ► <u>6846 S TRENTON AVE, TULSA,, OK</u> ZIP+4 ► <u>74136</u>			
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	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 <input type="checkbox"/> N/A	1b	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> 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

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**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)?

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

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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
BARBARA WATERS	TRUSTEE			
6846 S. TRENTON AVENUE				
TULSA, OK 74136	4.00	0.	0.	0.
JUDY WATERS	TRUSTEE			
6846 S. TRENTON AVENUE				
TULSA, OK 74136	10.00	0.	0.	0.
PETE ADAMSON III	TRUSTEE			
4200 E. SKELLY DR., RICHMOND PLAZA, S				
TULSA, OK 74135	4.00	0.	0.	0.
JOE WYATT	TRUSTEE			
6846 S. TRENTON AVENUE				
TULSA, OK 74136	10.00	0.	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
ADAMS HALL INVESTMENT MANAGEMENT, LLC - 4200 E. SKELLY DRIVE, SUITE 950, TULSA, OK 74135	INVESTMENT MANAGEMENT	69,677.
WYATT CONSULTANTS, PLLC 6846 SOUTH TRENTON AVE, TULSA, OK 74136	ACCOUNTING	22,417.

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	NONE	
		0.
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	NONE	
		0.
2		
3	All other program-related investments. See instructions	
<b>Total.</b> Add lines 1 through 3		0.

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**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	10,334,620.
b	Average of monthly cash balances	1b	159,846.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	10,494,466.
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	10,494,466.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) STMT 11	4	508,205.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,986,261.
6	Minimum investment return. Enter 5% of line 5	6	499,313.

**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	499,313.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	14,218.
b	Income tax for 2010. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	14,218.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	485,095.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	485,095.
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	485,095.

**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	463,110.
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	463,110.
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	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	463,110.

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
<b>1</b> Distributable amount for 2010 from Part XI, line 7				485,095.
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only			430,811.	
<b>b</b> Total for prior years.		0.		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005				
<b>b</b> From 2006				
<b>c</b> From 2007				
<b>d</b> From 2008				
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: <b>\$ 463,110.</b>				
<b>a</b> Applied to 2009, but not more than line 2a			430,811.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				32,299.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr			0.	
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				452,796.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006				
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008				
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				









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FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

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SOURCE	AMOUNT
ARVEST BANK	70.
FIDELITY	11,675.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	11,745.

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
INVESTMENT DIVIDENDS	228,391.	13,600.	214,791.
INVESTMENT INTEREST	141,696.	0.	141,696.
TOTAL TO FM 990-PF, PART I, LN 4	370,087.	13,600.	356,487.

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FORM 990-PF ACCOUNTING FEES STATEMENT 3

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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL & ACCOUNTING	22,417.	3,363.		19,054.
TO FORM 990-PF, PG 1, LN 16B	22,417.	3,363.		19,054.

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FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	81,109.	68,943.		12,166.
TO FORM 990-PF, PG 1, LN 16C	81,109.	68,943.		12,166.

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FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL TAX	7,888.	7,888.		0.	
TO FORM 990-PF, PG 1, LN 18	7,888.	7,888.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE SUPPLIES & EXPENSES	865.	130.		735.	
TO FORM 990-PF, PG 1, LN 23	865.	130.		735.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	7
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
US TREASURY NOTES	X		1,088,580.	1,136,251.	
STATE AND MUNICIPAL BONDS		X	501,068.	525,800.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,088,580.	1,136,251.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			501,068.	525,800.	
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,589,648.	1,662,051.	



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FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	3,579,845.	7,214,990.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,579,845.	7,214,990.

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FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	1,686,886.	1,744,959.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,686,886.	1,744,959.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER INVESTMENTS	FMV	148,890.	165,363.
TOTAL TO FORM 990-PF, PART II, LINE 13		148,890.	165,363.

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FORM 990-PF      CASH DEEMED CHARITABLE EXPLANATION STATEMENT      STATEMENT 11  
PART X, LINE 4

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LEGAL & ACCOUNTING FEES	\$ 19,054
OTHER PROFESSIONAL FEES	12,166
OTHER EXPENSES	
735	
TAXES	
23,250	
UNDISTRIBUTED INCOME (UDI)	453,000

PART X, LINE 4  
\$ 508,205

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 12

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
TULSA COMMUNITY FOUNDATION	NONE CHARITABLE	CHARITABLE	10,000.
EMERGENCY INFANT SERVICES	NONE CHARITABLE	CHARITABLE	5,000.
ORU(SCHOLARSHIP MONEY)	NONE EDUCATION	EDUCATION	5,000.
FIRST TEE OF TULSA	NONE CHARITABLE	CHARITABLE	3,000.
TULSA ZOO FRIENDS	NONE CHARITABLE	CHARITABLE	2,180.
KIRK OF THE HILLS CHURCH	NONE CHARITABLE	CHARITABLE	600.
HOME OF HOPE	NONE CHARITABLE	CHARITABLE	50.
A NEW LEAF	NONE CHARITABLE	CHARITABLE	3,000.

WATERS CHARITABLE FOUNDATION

73-1323325

ALZHEIMER'S ASSOCIATION	NONE CHARITABLE	CHARITABLE	5,025.
AMERICAN DIABETES ASSOCIATION	NONE CHARITABLE	CHARITABLE	5,000.
BLUE STAR MOTHERS CHAPTER	NONE CHARITABLE	CHARITABLE	2,000.
COMMUNITY FOOD BANK OF EASTERN OKLAHOMA	NONE CHARITABLE	CHARITABLE	10,000.
DAYSPRING VILLA	NONE CHARITABLE	CHARITABLE	5,000.
DISABLED AMERICAN VETERANS	NONE CHARITABLE	CHARITABLE	5,000.
DOMESTIC VIOLENCE INTERVENTION CENTER	NONE CHARITABLE	CHARITABLE	10,000.
FIRST BAPTIST -JENKS	NONE CHARITABLE	CHARITABLE	800.
FOLDS OF HONOR FOUNDATION	NONE CHARITABLE	CHARITABLE	10,000.
FRIENDS OF STARLIGHT CONCERTS	NONE CHARITABLE	CHARITABLE	2,500.

WATERS CHARITABLE FOUNDATION

73-1323325

FRIENDS OF THE FAIRGROUNDS	NONE CHARITABLE	CHARITABLE	10,000.
GLENHAVEN YOUTH RANCH	NONE CHARITABLE	CHARITABLE	50,000.
HELP HOSPITALIZED VETERANS	NONE CHARITABLE	CHARITABLE	5,000.
HOSPITALITY HOUSE OF TULSA	NONE CHARITABLE	CHARITABLE	10,500.
JOHN 3:16 MISSION	NONE CHARITABLE	CHARITABLE	10,000.
LOLLIPOPS & RAINBOWS	NONE CHARITABLE	CHARITABLE	10,000.
MAKE A WISH FOUNDATION	NONE CHARITABLE	CHARITABLE	10,000.
MEALS ON WHEELS	NONE CHARITABLE	CHARITABLE	10,000.
NEEDIEST FAMILIES FUND	NONE CHARITABLE	CHARITABLE	25,000.
NSU FOUNDATION	NONE EDUCATION	EDUCATION	20,000.

WATERS CHARITABLE FOUNDATION

73-1323325

OPERATION AWARE	NONE CHARITABLE	CHARITABLE	5,000.
OU FOUNDATION	NONE EDUCATION	EDUCATION	10,000.
RADIO BIBLE CLASS MINISTRIES	NONE CHARITABLE	CHARITABLE	2,000.
SALVATION ARMY	NONE CHARITABLE	CHARITABLE	9,500.
SHERWIN MILLER MUSEUM OF JEWISH ART	NONE CHARITABLE	CHARITABLE	5,000.
SPECIAL OLYMPICS OKLAHOMA	NONE CHARITABLE	CHARITABLE	10,000.
TCC FOUNDATION	NONE EDUCATION	EDUCATION	15,000.
THE LITTLE LIGHT HOUSE	NONE CHARITABLE	CHARITABLE	25,000.
THE SMILE TRAIN	NONE CHARITABLE	CHARITABLE	10,000.
TULSA DAY CENTER FOR THE HOMELESS	NONE CHARITABLE	CHARITABLE	10,000.

WATERS CHARITABLE FOUNDATION

73-1323325

TULSA HABITAT FOR HUMANITY	NONE CHARITABLE	CHARITABLE	20,000.
TULSA JEWISH RETIREMENT & HEALTH CARE	NONE CHARITABLE	CHARITABLE	10,000.
TULSA LIBRARY TRUST	NONE CHARITABLE	EDUCATION	25,000.
U.S.O.	NONE CHARITABLE	CHARITABLE	5,000.
UP WITH TREES	NONE CHARITABLE	CHARITABLE	10,000.
US OLYMPIC COMMITTEE	NONE CHARITABLE	CHARITABLE	5,000.
VILLAGE MINISTRIES INTERNATIONAL	NONE CHARITABLE	CHARITABLE	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>431,155.</u>