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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

2011

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 2011, or tax year beginning 7/01, 2011, and ending 6/30, 2012

THURSTON CHARITABLE FOUNDATION
C/O S.FINLEY, CPA, P.O. BOX 430
MILTON, WA 98354A Employer identification number
91-6055032B Telephone number (see the instructions)
(253) 952-2992C 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 ☐G Check all that apply: ☐ Initial return ☐ Initial Return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name changeH 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, column (c), line 16)
\$ 4,246,290.
J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 (att sch)				
	2	Cl <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments			N/A	
	4	Dividends and interest from securities	91,055.	91,055.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	82,289.			
	b	Gross sales price for all assets on line 6a 2,386,244.				
	7	Capital gain net income (from Part IV, line 2)		82,289.		
	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/(loss) (att sch)					
11	Other income (attach schedule)					
12	Total. Add lines 1 through 11	173,344.	173,344.			
ADMINISTRATIVE AND OPERATING EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach sch) SEE ST 1	5,000.	2,500.		2,500.
	c	Other prof fees (attach sch) SEE ST 2	36,003.	36,003.		
	17	Interest				
	18	Taxes (attach schedule)(see instrs) SEE STM 3	8,000.			
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
23	Other expenses (attach schedule) SEE STATEMENT 4	70.			70.	
24	Total operating and administrative expenses. Add lines 13 through 23	49,073.	38,503.		2,570.	
25	Contributions, gifts, grants paid PART XV	202,000.			202,000.	
26	Total expenses and disbursements. Add lines 24 and 25	251,073.	38,503.		204,570.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	-77,729.				
b	Net investment income (if negative, enter -0-)		134,841.			
c	Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets

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

Beginning of year

End of year

(a) Book Value

(b) Book Value

(c) Fair Market Value

		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	779,714.	944,943.	944,943.
	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 instructions)			
	7 Other notes and loans receivable (attach sch)			
	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 (attach schedule)			
	b Investments — corporate stock (attach schedule) STATEMENT 5	953,947.	874,874.	1,170,134.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment, basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) STATEMENT 6	2,131,172.	1,967,287.	2,131,213.	
14 Land, buildings, and equipment, basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	3,864,833.	3,787,104.	4,246,290.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & 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.	
F U N D A S S E T B A L A N C E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>		
	27 Capital stock, trust principal, or current funds	3,864,833.	3,787,104.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	3,864,833.	3,787,104.	
	31 Total liabilities and net assets/fund balances (see instructions)	3,864,833.	3,787,104.	

Part III Analysis of Changes in Net Assets or Fund Balances

		1	2
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	3,864,833.
2	Enter amount from Part I, line 27a	2	-77,729.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	3,787,104.
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	3,787,104.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a UBS FINANCIAL SERVICES	P	VARIOUS	VARIOUS
b MORGAN STANLEY SMITH BARNEY - 3412C	P	VARIOUS	VARIOUS
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 1,640,097.		1,564,471.	75,626.
b 746,147.		739,484.	6,663.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			75,626.
b			6,663.
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	82,289.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 </div>	3	0.

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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	192,669.	4,197,262.	0.045903
2009	192,525.	3,988,863.	0.048266
2008	241,506.	3,878,419.	0.062269
2007	203,035.	4,906,133.	0.041384
2006	191,726.	4,921,078.	0.038960

2 Total of line 1, column (d)	2	0.236782
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	0.047356
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	4,149,422.
5 Multiply line 4 by line 3	5	196,500.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,348.
7 Add lines 5 and 6	7	197,848.
8 Enter qualifying distributions from Part XII, line 4	8	204,570.

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)

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,348.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	1,348.
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	1,348.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	8,421.	
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	8,421.	
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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	7,073.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 the instructions for definition)? <i>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</i>		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 <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> WA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes', attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>STEVEN A. FINLEY, CPA</u> Telephone no <u>(253) 952-2992</u> Located at <u>P.O. BOX 430, MILTON, WA</u> ZIP + 4 <u>98354</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 <u>N/A</u>	15		N/A
16	At any time during calendar year 2011, 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 the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country <u>N/A</u>	16		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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20__ , 20__ , 20__ , 20__</u>		
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 2011 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 2011)	3b	N/A
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 2011?	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)? (see 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 instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

N/A

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? ☐ Yes ☒ No

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? ☐ Yes ☒ No

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 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
SEE STATEMENT 7		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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 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		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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see 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 instructions	
3	
Total. 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	3,777,233.
b	Average of monthly cash balances	1b	435,378.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	4,212,611.
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	4,212,611.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	63,189.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,149,422.
6	Minimum investment return. Enter 5% of line 5	6	207,471.

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	207,471.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,348.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,348.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	206,123.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	206,123.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	206,123.

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	204,570.
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	204,570.
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 instructions)	5	1,348.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	203,222.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				206,123.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			203,235.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2011.				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 204,570.				
a Applied to 2010, but not more than line 2a			203,235.	
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 2011 distributable amount				1,335.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				204,788.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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
<i>a Paid during the year</i> SEE STATEMENT ATTACHED ,		NONE	VARIOUS	202,000.
Total .			3a	202,000.
<i>b Approved for future payment</i>				
Total			3b	

2011

FEDERAL STATEMENTS

PAGE 1

THURSTON CHARITABLE FOUNDATION

91-6055032

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STEVEN A FINLEY CPA	\$ 5,000.	\$ 2,500.		\$ 2,500.
TOTAL	<u>\$ 5,000.</u>	<u>\$ 2,500.</u>		<u>\$ 2,500.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	\$ 36,003.	\$ 36,003.		
TOTAL	<u>\$ 36,003.</u>	<u>\$ 36,003.</u>		<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	\$ 8,000.			
TOTAL	<u>\$ 8,000.</u>	<u>\$ 0.</u>		<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	\$ 70.			\$ 70.
TOTAL	<u>\$ 70.</u>	<u>\$ 0.</u>		<u>\$ 70.</u>

THURSTON CHARITABLE FOUNDATION

91-6055032

STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
1,500 AMERICAN TOWER CORP REIT	COST	\$ 95,670.	\$ 104,865.
700 SHS APPLE INC	COST	246,540.	408,800.
1,700 SHS COCA COLA INC	COST	95,843.	132,923.
3,700 SHS INTEL CORP	COST	74,444.	98,605.
2,000 MONSTER BEVERAGE CORP	COST	86,082.	142,400.
192 SHS TRANSOCEAN LTD	COST	0.	0.
165 ENSCO PLC	COST	7,728.	7,750.
50 SHS APPLE INC	COST	15,145.	29,200.
376 BANK NEW YORK MELLON CORP	COST	10,981.	8,253.
450 SHS CARNIVAL CORP	COST	19,064.	15,422.
340 SHS EMC CORP MASS	COST	8,418.	8,714.
172 SHS HONEYWELL INTL	COST	9,868.	9,604.
292 SHS JP MORGAN CHASE	COST	11,627.	10,433.
133 SHS JOHNSON & JOHNSON	COST	7,832.	8,985.
300 SHS JOHNSON CONTROLS	COST	10,135.	8,313.
434 SHS MICROSOFT CORP	COST	10,645.	13,276.
135 SHS PEPSICO INC	COST	8,868.	9,539.
154 SHS TARGET CORP	COST	8,432.	8,961.
131 SHS NORFOLK SOUTHERN CORP	COST	8,643.	9,402.
670 ABB LTD SPONS ADR	COST	12,088.	10,934.
90 APACHE CORP	COST	8,863.	7,910.
215 BAKER HUGHES INC	COST	8,720.	8,837.
44 BLACKROCK INC	COST	7,698.	7,472.
114 BOEING CO	COST	8,264.	8,470.
279 CANADIAN NATURAL RES	COST	8,856.	7,491.
420 CSX CORP	COST	8,543.	9,391.
494 CHESAPEAKE ENERGY CORP	COST	7,851.	9,188.
157 CLIFFS NATURAL RESOURCES	COST	8,059.	7,739.
268 EATON CORP	COST	11,274.	10,621.
77 F5 NETWORKS	COST	7,686.	7,666.
1,070 FORD MOTOR CO	COST	12,495.	10,261.
240 FREEPORT MCMORAN COPPER GOLD	COST	8,907.	8,177.
680 GENERAL ELECTRIC	COST	10,747.	13,754.
156 HESS CORP	COST	8,858.	6,778.
TOTAL		\$ 874,874.	\$ 1,170,134.

STATEMENT 6
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

<u>OTHER PUBLICLY TRADED SECURITIES</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
23,472.847 SHS HARTFORD FLOATING RATE	COST	\$ 180,729.	\$ 206,092.
4,025 SPDR S&P DIVIDEND ETF	COST	199,475.	223,991.
400 SHS SPDR GOLD TRUST	COST	49,318.	62,076.
8,863.726 SHS PRINCIPAL INVESTORS PFD	COST	85,998.	88,992.
4,257 TORTOISE ENERGY CAPITAL	COST	105,854.	110,767.
57 SHS ISHARES IBOX & INVTOP	COST	5,479.	6,703.
100 ISHARES MSCI EAFE SMALL CAP	COST	3,553.	3,614.
80 SHS ISHARES RUSSELL MICROCAP	COST	3,626.	4,003.

THURSTON CHARITABLE FOUNDATION

91-6055032

STATEMENT 6 (CONTINUED)
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
<u>OTHER PUBLICLY TRADED SECURITIES</u>			
290 SHS ISHARES S&P AGGRESSIVE ALLOCAT	COST	\$ 8,970.	\$ 10,127.
245 SHS POWERSHARES FTSE RAFI US 1500	COST	7,358.	15,805.
695 SHS POWERSHARES FTSE RAFI US 1000	COST	22,751.	40,428.
990 POWERSHARES FTSE RAFT EMERGING	COST	16,073.	19,994.
281 IVY FDS ASSET STRATEGY Y	COST	6,803.	6,668.
1,089.931 SHS IVY FDS ASSET STRATEGY A	COST	22,130.	25,820.
410.998 SHS PAYDEN INVT GROUP CORE BOND	COST	4,047.	4,402.
1,005.346 PAYDEN INVT GROUP HIGH INCOME	COST	6,362.	7,128.
602.703 PIMCO UNCONSTRAINED BOND FUND	COST	6,702.	6,853.
1,237.21 SHS RIVERNORTH CORE OPPORTUNITY	COST	10,795.	14,488.
236.28 RYDEX FUNDS MGD FUTURES	COST	6,412.	5,089.
674.582 SHS TEMPLETON GLOBAL BONF FUND	COST	8,629.	8,668.
450 SHS ISHARES RUSSELL 1000 INDEX	COST	29,140.	33,845.
415 SHS ISHARES RUSSELL 3000 INDEX	COST	28,639.	33,362.
660 ISHARES BARCLAYS CMBS BOND FUND	COST	33,198.	33,462.
580 ISHARES MSCI USA MIN	COST	14,964.	16,785.
315 PIMCO AUSTRALIA BOND INDEX	COST	30,057.	31,850.
310 SHS PIMCO 0-5 YR HI CORP	COST	28,779.	31,019.
630 SHS POWERSHARES S&P 500 LOW	COST	15,048.	17,375.
300 RUSSELL 100 LOW VOLATILITY	COST	15,055.	16,972.
340 SPDR S&P EMERGING MKTS DIVD	COST	17,000.	15,358.
280 SHS SPDR S&P EMERGING MKTS SMALL CAP	COST	14,656.	11,669.
1,010 SCHWAB US BROAD MARKET ETF	COST	28,186.	33,007.
1,025 SCHWAB US LARGE CAP ETF	COST	28,395.	33,128.
864 SCHWAB EMERGING MARKETS EQUITY ETF	COST	24,005.	20,235.
660 SCHWAB US DIVIDEND EQUITY	COST	16,969.	18,322.
598 SCHWAB INT'L EQUITY	COST	15,734.	14,454.
490 SEL SECT SPDR CONSUMER STAPLES	COST	13,783.	17,037.
302 VANGUARD SPEC DIV APPRECIATION	COST	14,655.	17,120.
335 VANGUARD TOTAL INTL STOCK ETF	COST	16,373.	14,150.
385 SHS VANGUARD WHITEHALL FUNDS	COST	14,944.	18,526.
245 SHS VANGUARD INFO TECH ETF	COST	13,760.	16,839.
379 VANGUARD INTL EQUITY INDEX	COST	17,212.	15,531.
507 SHS VANGUARD MSCI EMERGING MKTS ETF	COST	23,759.	20,245.
585 SHS VANGUARD LARGE-CAP ETF	COST	43,216.	47,817.
685 SHS VANGUARD TOTAL STOCK MKT ETF	COST	43,036.	47,745.
487 SHS ISHARES IBOXX & INVESTOP	COST	52,776.	57,266.
300 SHS ISHARES JP MORGAN EM BOND FUND	COST	32,772.	34,416.
400 SHS ISHARES IBOXX HIGH YLD CORP	COST	35,846.	36,516.
510 SHS ISHARES BARCLAYS CR BD	COST	53,193.	56,605.
591 SHS ISHARES BARCLAYS INTERMEDIATE CR	COST	63,338.	64,608.
310 SHS ISHARES BARCLAYS 1-3 YR CD BD FD	COST	32,609.	32,460.
600 SHS ISHARES BARCLAYS INTERM CR BD FD	COST	0.	0.
1,235 SHS MARKET VECTORS EMER MKTS	COST	32,947.	31,567.
1,655 SHS POWERSHARES FUND HIGH YIELD	COST	28,965.	30,998.
1,200 SHS POWESHARES GLOBAL EXCHANGE	COST	33,336.	34,596.
2,300 SHS SPDR BARCLAYS CAP INTERMEDIATE	COST	76,806.	78,499.
1,100 SHS SPDR BARCLAYS CAP EMER MKTS	COST	33,407.	34,265.
800 SHS SPDR SERIES TR BARCLAYS	COST	31,836.	31,568.
1,050 SHS SPDR BARCLAYS CAP SHORT	COST	32,072.	31,973.
400 SHS VANGUARD SHORT TERM CORP BOND	COST	31,727.	31,660.
766 SHS VANGUARD INTER TERM CORP BD	COST	61,865.	65,271.
620 SHS WISDOMTREE EMER MKTS LOCAL	COST	32,165.	31,384.
TOTAL		\$ 1,967,287.	\$ 2,131,213.

THURSTON CHARITABLE FOUNDATION

91-6055032

STATEMENT 7
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
SEVERT W. THURSTON, JR. 11200 SE SIXTH STREET BELLEVUE, WA 98004	SECRETARY 0	\$ 0.	\$ 0.	\$ 0.
ROBERT H. THURSTON 86 PINE STREET SEATTLE, WA 98101	VICE PRESIDENT 0	0.	0.	0.
SUSAN E. THURSTON P.O. BOX 1707 SUN VALLEY, ID 83353	TREASURER 0	0.	0.	0.
SHERRIE TOSSELL 1908 VIA ESTUDILLO PALOS VERDES, CA 90274	PRESIDENT 0	0.	0.	0.
STEVEN A. FINLEY P.O. BOX 430 MILTON, WA 98354	ASST SEC-TREAS 0	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
1	ACT Jennessa West, Development Director 700 Union Street Seattle, WA 98101-2330	1,000
1	Alki Elementary School 3010 59th Ave SW Seattle, WA 98116	2,500
2	Alzheimer's Association 100 W Harrison St, N200 Seattle, WA 98119	1,500
3	American Diabetes Research Foundation 1701 North Beauregard Street Alexandria, VA 22311	3,000
4	Barry Lieberman, Artistic Director American Strings Project P O Box 15409 Seattle, WA 98115	4,000
5	Animal Shelter of Wood River Valley P.O Box 1496 Hailey, ID 83333-1496	400
6	Baptist Haiti Mission 118 Courtland Rockford, MI 39341	1,000
7	Bellevue Art Museum 510 Bellevue Way NE Bellevue, WA 98004	17,900
8	BAM Round Table 510 Bellevue Way NE Bellevue, WA 98004	300
9	Bellevue Schools Foundation P O Box 40644 Bellevue, WA 98015-4644	1,000
10	Mrs Dorothy Dixon Child Evangelism Fellowship Los Angeles Chapter 1133 W 57th St Los Angeles, CA 90037	3,000
11	Mrs Claudia Calderon Child Evangelism Fellowship P O Box 93336 Los Angeles, CA 90093	7,000

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
12	Child Study Center 1300 W Lancaster Fort Worth, TX 76102	6,000
13	Children's Orthopedic Hospital M/S S-200 P O Box 5371 Seattle, WA 98145-5005	5,000
14	City of Hope 1309 114th Ave SE, Suite 201 Bellevue, WA 98004	500
15	Columbia Land Trust 1351 Officers' Row Vancouver, WA 98661	5,000
16	Company of Fools P O. Box 329 Hailey, ID 83333	400
17	Compassion & Choices P O Box 101810 Denver, CO 80250-1810	1,000
18	Cornish School Office of Institutional Advancement 1000 Lenora St, 7th Floor Seattle, WA 98102	7,000
19	Cystic Fibrosis Foundation Washington Chapter 520 Pike Street, Suite 1075 Seattle, WA 98101-3909	1,000
20	Detlef Schremph Foundation 1904 Third Ave, Suite 339 Seattle, WA 98101	1,000
21	Doors of Hope Women's Shelter 525 N Broad Ave Wilmington, CA 90744	5,000
22	Eastside Heritage Center P O Box 40535 Bellevue, WA 98015	1,000
23	The English Speaking Union 144 E 39th Street New York, NY 10016	500

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
24	Equine Voices Rescue & Sanctuary P O Box 1685 Green Valley, AZ 85622	500
25	Evergreen Hospice Health Care 12040 NE 128th, MS #5 Kirkland, WA 98034	3,000
26	Harbor Interfaith Services 670 West 9th Street San Pedro, CA 90731	5,000
27	Healing the Children 8227 44th Ave W, Suite M Mukilteo, WA 98275	1,000
28	Help the Homeless Help Themselves Ms Kathy Bradford, Treasurer 4876 Browndeer Lane RPV, CA 98275	1,000
29	Dr. & Mrs Al Howard Founders and Directors His Nesting Place 350 East Market Street Long Beach, CA 90805	2,000
30	Mr Larry Chapman, President JesusOnLine P O Box 1373 Mukilteo, WA 98275	2,500
31	Junior Achievement of Washington 1700 Westlake Ave N, Suite 400 Seattle, WA 98109	3,000
32	Junior League of Seattle (Washington) 4119 East Madison Street Seattle, WA 98112	400
33	KBCS Radio 3000 Landerholm Circle SE Bellevue, WA 98004	1,000
34	Kirkland Arts Center 620 Market Street Kirkland, WA 98033	1,000
35	Kirkland Interfaith Transitional Housing 125 State Street S Kirkland, WA 98033	1,000

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
36	KCTS Television 401 Mercer St Seattle, WA 98109-4699	1,000
37	KPLU Radio 88.5 FM Pacific Lutheran University 12180 Park Ave S Tacoma, WA 98447-0885	2,000
38	Ms Maria Evans, President Love INC South Bay P O Box 6442 San Pedro, CA 90734-6442	2,000
39	Maryhill Museum of Art 35 Maryhill Museum Drive Goldendale, WA 98620-9935	1,000
40	Medic One Foundation MS 359747 3625 9th Ave Seattle, WA 98104-2420	2,000
41	Menlo College 1000 El Camino Real Atherton, CA 94027	2,000
42	M O H A I 2700 24th Ave E Seattle, WA 98112-2099	1,000
43	Ms Barbara Davis BRAVO! Coordinator Norris Center for the Performing Arts 27570 Crossfield Drive Rolling Hills Estates, CA 90274	1,000
44	On The Boards P.O Box 19515 Seattle, WA 98109	1,000
45	Overlake Hospital Medical Center 1035 116th Ave N.E Bellevue, WA 98004	5,000
46	Pacific Science Center 200 2nd Ave N Seattle, WA 98109-9980	600
47	P.A.C.E. /Tateuchi Center P O. Box 828 Bellevue, WA 98009-0828	1,000

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
48	P.A.W.S. P O. Box 1037 Lynnwood, WA 98046	5,000
49	Pike Market Child Care & Preschool 1501 Pike Place #313 Seattle, WA 98101	1,000
50	PNW Ballet 301 Mercer St. Seattle, WA 98109-9984	3,500
51	Purnell School 51 Pottersville Rd Pottersville, NJ 07979	2,000
52	Romanian Missionary Society P O Box 527 Wheaton, IL 60189	1,000
53	Rolling Hills Covenant Church 2222 Palos Verdes Drive N Rolling Hills Estates, CA 90274	1,000
54	SAMBICA 4114 W Lake Sammamish Parkway SE Bellevue, WA 98008	1,200
55	San Pedro & Peninsula YMCA 301 S Bandini St San Pedro, CA 90731	800
56	Sea Shepherds P O Box 2616 Friday Harbor, WA 98250	6,000
57	Seattle Art Museum P O Box 22000 Seattle, WA 98122-9700	6,000
58	Seattle Opera P O Box 9248 Seattle, WA 98109-0248	4,000
59	Seattle Symphony P O Box 21906 Seattle, WA 98111-2906	5,000
60	Smile Train P.O. Box 96210 Washington D C 20090-6210	1,000

THURSTON CHARITABLE FOUNDATION
91-6055032
Contributions 6-30-2012

	<u>Organization</u>	<u>Amount</u>
61	South Bay Wildlife Rehabilitaion 26363 Silver Spur Road Rancho Palos Verdes, CA 90275	500
62	St. Thomas Episcopal Church P O Box 1240 Ketchum, ID 83340	500
63	Sun Valley Center for the Arts P.O Box 656 Sun Valley, ID 83353	23,000
64	Suyama Space 2324 2nd Ave Seattle, WA 98121	2,500
65	Through the Bible Radio Network P.O. Box 7100 Pasadena, CA 91101	500
66	Wier Harman, Excutive Director Town Hall Seattle 1119 8th Ave Seattle, WA 98101	3,500
67	U of W Medicine Advancement P O Box 358045 Seattle, WA 98195-8045	5,000
68	University of Washington Foster School of Business Mackenzie Hall Box 353200 Seattle, WA 98195-3200	4,000
69	Volunteer Center 1230 Cravens Ave Torrance, CA 90501	1,000
70	Washington Policy Center P O Box 3643 Seattle, WA 98124	1,000
71	Washington State University College of Business, Office of the Dean P.O Box 644750 Pullman, WA 99164-4750	5,000
72	Wild Fish Conservancy P.O Box 402 Duvall, WA 98019	1,000

TOTAL \$ 202,000