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

2008

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

For calendar year 2008, or tax year beginning DEC 1, 2008, and ending NOV 30, 2009

G Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation DEERING FOUNDATION		A Employer identification number 36-6051876
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number 312-644-6720
	410 NORTH MICHIGAN AVENUE	590	
City or town, state, and ZIP code CHICAGO, IL 60611		C If exemption application is pending, check here ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 12,513,120.		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____		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))		(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 ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		1,620.	2,304.		
4 Dividends and interest from securities		324,654.	320,567.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<230,700.>			STATEMENT 1
b Gross sales price for all assets on line 6a		1,998,390.			
7 Capital gain net income (from Part IV, line 2)			0.		
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		5,217.	5,217.		STATEMENT 2
12 Total. Add lines 1 through 11		100,791.	328,088.		
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		11,600.	5,800.		5,800.
c Other professional fees					
17 Interest					
18 Taxes		15,163.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		2,126.	1,826.		300.
24 Total operating and administrative expenses. Add lines 13 through 23		28,889.	7,626.		6,100.
25 Contributions, gifts, grants paid		730,000.			730,000.
26 Total expenses and disbursements. Add lines 24 and 25		758,889.	7,626.		736,100.
27 Subtract line 26 from line 12		<658,098.>			
a Excess of revenue over expenses and disbursements			320,462.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions.

Form 990-PF (2008)

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				
	2	Savings and temporary cash investments		1,725,470.	1,469,784.	1,469,784.
	3	Accounts receivable ▶ 45,572.				
		Less: allowance for doubtful accounts ▶		47,582.	45,572.	45,572.
	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		134.	139.	139.
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock STMT 6		7,947,899.	9,140,660.	9,140,660.
	c	Investments - corporate bonds STMT 7		1,341,680.	1,604,995.	1,604,995.
11	Investments - land, buildings, and equipment basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans STMT 8		0.	251,970.	251,970.	
13	Investments - other					
14	Land, buildings, and equipment basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		11,062,765.	12,513,120.	12,513,120.	
Liabilities	17	Accounts payable and accrued expenses		6,500.	6,600.	
	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 ▶ STATEMENT 9)		0.	15,163.	
23	Total liabilities (add lines 17 through 22)		6,500.	21,763.		
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		11,056,265.	12,491,357.	
	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		11,056,265.	12,491,357.		
31	Total liabilities and net assets/fund balances		11,062,765.	12,513,120.		

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	11,056,265.
2	Enter amount from Part I, line 27a	2	<658,098.>
3	Other increases not included in line 2 (itemize) ▶ ADJUST SECURITIES TO FMV	3	2,093,190.
4	Add lines 1, 2, and 3	4	12,491,357.
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	12,491,357.

Form 990-PF (2008)

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 SEE ATTACHED STATEMENT		P	VARIOUS	VARIOUS
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 1,998,390.		2,229,090.	<230,700.>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	
a			<230,700.>
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	<230,700.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		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))
2007	731,695.	13,770,934.	.053133
2006	735,790.	15,906,474.	.046257
2005	735,067.	14,630,773.	.050241
2004	735,277.	14,819,355.	.049616
2003	733,456.	14,794,629.	.049576

2 Total of line 1, column (d)**2** .248823**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** .049765**4** Enter the net value of noncharitable-use assets for 2008 from Part X, line 5**4** 10,699,450.**5** Multiply line 4 by line 3**5** 532,458.**6** Enter 1% of net investment income (1% of Part I, line 27b)**6** 3,205.**7** Add lines 5 and 6**7** 535,663.**8** Enter qualifying distributions from Part XII, line 4**8** 736,100.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling letter: _____ (attach copy of ruling 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	3,205.
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	3,205.
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	3,205.
6 Credits/Payments			
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	6,452.	
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	6,452.	
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	3,247.	
11 Enter the amount of line 10 to be credited to 2009 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b 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
1c 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?		
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) ☐ IL		
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 2008 or the taxable year beginning in 2008 (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

Form 990-PF (2008)

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?	13	X	

Website address ► N/A

14 The books are in care of ► JOHN RAU Telephone no ► 312-644-6720
 Located at ► 410 NORTH MICHIGAN AVENUE, 590, IL ZIP+4 ► 60611

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

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 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		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 2008?		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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	☐ Yes ☒ No	
If "Yes," list the years ► <u>N/A</u>		
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)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2008 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 2008.)		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2008?		X

Form 990-PF (2008)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☒ Yes ☐ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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

5b

X

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☒ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered "Yes" to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10				
	0.00	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

Form 990-PF (2008)

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	9,998,768.
b	Average of monthly cash balances	1b	863,618.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	10,862,386.
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	10,862,386.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	162,936.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,699,450.
6	Minimum investment return. Enter 5% of line 5	6	534,973.

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	534,973.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	3,205.
b	Income tax for 2008 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,205.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	531,768.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	531,768.
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	531,768.

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	736,100.
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	736,100.
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	3,205.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	732,895.

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.

Form 990-PF (2008)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				531,768.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2008				
a From 2003				
b From 2004	4,097.			
c From 2005	127,494.			
d From 2006				
e From 2007	51,844.			
f Total of lines 3a through e	183,435.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 736,100.				
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2008 distributable amount				531,768.
e Remaining amount distributed out of corpus	204,332.			
5 Excess distributions carryover applied to 2008 (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.	387,767.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2007 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	387,767.			
10 Analysis of line 9				
a Excess from 2004	4,097.			
b Excess from 2005	127,494.			
c Excess from 2006				
d Excess from 2007	51,844.			
e Excess from 2008	204,332.			

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 SEE STATEMENT 11				730,000.
Total			3a	730,000.
b Approved for future payment NONE				
Total			3b	0.

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
	(a) Business code	(b) Amount	(c) Exclu- sion 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	1,620.	
4 Dividends and interest from securities			14	324,654.	
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			14	5,217.	
8 Gain or (loss) from sales of assets other than inventory			18	<230,700.>	
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.		100,791.	0.
13 Total. Add line 12 columns (b), (d), and (e)				100,791.	100,791.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT	1
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(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SEE ATTACHED STATEMENT		PURCHASED		VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
1,998,390.	2,229,090.	0.	0.	<230,700.>	
CAPITAL GAINS DIVIDENDS FROM PART IV					0.
TOTAL TO FORM 990-PF, PART I, LINE 6A					<230,700.>

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
SECURITY LITIGATION	5,217.	5,217.	
TOTAL TO FORM 990-PF, PART I, LINE 11	5,217.	5,217.	

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
ACCOUNTING FEES	11,600.	5,800.		5,800.
TO FORM 990-PF, PG 1, LN 16B	11,600.	5,800.		5,800.

FORM 990-PF	TAXES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
DEFERRED FEDERAL EXCISE TAX	15,163.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	15,163.	0.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OTHER EXPENSES-SEE STMT 8	2,126.	1,826.		300.	
TO FORM 990-PF, PG 1, LN 23	2,126.	1,826.		300.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
CORPORATE STOCK - SEE STATEMENT 8	9,140,660.	9,140,660.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,140,660.	9,140,660.		

FORM 990-PF	CORPORATE BONDS		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
CORPORATE BONDS - SEE STATEMENT 8	1,604,995.	1,604,995.		
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,604,995.	1,604,995.		

FORM 990-PF	MORTGAGE LOANS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
FEDERAL HOME LOAN BANK NOTES - SEE STATEMENT	251,970.	251,970.
TOTAL TO FORM 990-PF, PART II, LINE 12	251,970.	251,970.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	9
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DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DEFERRED TAX EXPENSE	0.	15,163.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	15,163.

DEERING FOUNDATION
 DETAIL GAIN AND LOSS REPORT
 FOR THE YEAR ENDED NOVEMBER 30, 2009
 EIN: 36-6051876

	Description	Disposition Date	Acquisition Date	Sale Proceeds	Cost Basis	Realized Gain/Loss
1,300 Shs	BAXTER INTERNATIONAL INC.	07/10/09	08/16/02	68,833	44,538	24,295
100,000	JOHN DEERE CAP 6.0% 2/15/09	02/17/09	08/18/05	100,000	100,000	-
250,000	FNMA 4.625% NOTE 10/28/09	10/28/09	02/22/06	250,000	250,000	-
1,550 Shs	JOHNSON & JOHNSON	07/10/09	08/22/84	88,022	3,072	84,950
800 Shs	ELI LILLY AND COMPANY	07/10/09	12/19/84	26,991	3,395	23,596
700 Shs	ELI LILLY AND COMPANY	07/10/09	03/12/79	23,618	2,198	21,420
850 Shs	3M COMPANY	07/10/09	02/21/03	50,573	53,549	(2,976)
3,000 Shs	MOTOROLA, INC	12/11/08	04/14/00	12,535	102,476	(89,941)
6,825 Shs	SPDR S&P 500 ETF TRUST	09/03/09	11/09/06	683,575	945,808	(262,233)
3,400 Shs	SPDR S&P 500 ETF TRUST	09/03/09	11/08/06	340,535	472,192	(131,657)
100,000	US TREAS 6 0% NT 8/15/09	08/17/09	08/15/00	100,000	100,000	-
150,000	US TREAS 6.0% NT 8/15/09	08/17/09	06/07/06	150,000	150,000	-
1,525 Shs	EXXON MOBIL CORPORATION	07/15/09	12/09/60	103,708	1,862	101,846
				1,998,390	2,229,090	(230,700)

DEERING FOUNDATION, E I #36-6051876, SCHEDULE OF INFORMATION FOR FORM 990-PF
FOR YEAR ENDED NOVEMBER 30, 2009

PART I, LINE 23, OTHER EXPENSES

	Amount
Liability Insurance	\$ 550 *
Asset Custody Fee	1,551
Filing Fee	25
Total	2,126

* Note - 50% of liability insurance charged against investment income

PART II, LINE 10, INVESTMENT-SECURITIES

Description	Number of Shares or Principal Amount	Book Value and Market Value
Federal Home Loan Bank Notes	\$ 250,000	\$ 251,970
Stock		
Amphenol Corporation	3,650	\$150,380
Boeing Company	1,750	91,718
Baxter International Inc	3,700	201,835
Bristol-Myers Squibb Company	11,200	283,472
Caterpillar Inc	1,800	105,102
Coca Cola Corporation	2,500	143,000
Colgate - Palmolive Company	2,100	176,799
CVS Corporation	3,425	106,209
Walt Disney Corporation	4,950	149,589
The Dow Chemical Company	6,225	172,931
Exxon Mobil Corporation	5,372	403,276
IShares-S & P Midcap 400 Index	5,725	392,563
IShares-MSCI Emerging Market Index	9,450	382,914
IShares-MSCI EAFE Index	19,500	1,080,690
IShares-Russell 2000 Index	6,150	357,315
General Electric Company	15,650	250,713
Johnson & Johnson	5,750	361,330
Eli Lilly & Company	7,300	268,129
Lockheed Martin Corporation	1,675	129,360
Mcdonald's Corporation	2,250	142,313
Medco Health Solutions, Inc	2,412	152,342
Merck & Company, Inc	10,000	362,100
Microsoft Corporation	10,800	317,628
3M Company	6,125	474,320
Pepsico	2,200	136,884
Spider Trust Series 1	12,550	1,378,994
Staples Inc	6,400	149,248
State Street Corporation	2,500	103,250
Target Corporation	2,775	129,204
United Technologies Corporation	2,000	134,480
Walgreens Company	3,700	143,893
Wells Fargo & Company	5,100	143,004
Zimmer Holdings, Inc	2,800	165,676
Total Stocks		\$9,140,660

PART II, LINE 10, INVESTMENT-SECURITIES (cont'd)

Description	Number of Shares Principal Amount	Book Value and Market Value
Corporate Bonds		
Burlington North 6 875%	200.000	\$ 231.287
GE Capital 4 8%	250.000	265.259
Lowes Co 5 6%	250.000	279.289
Target Corp 6 35%	250.000	264.878
United Tech 4 875%	250.000	276.616
Walt Disney 6 2%	250.000	287.665
Total Corporate Bonds		<u>\$ 1,604,995</u>

DEERING FOUNDATION, E.I. #36-6051876, SCHEDULE OF INFORMATION FOR FORM 990-PF
FOR YEAR ENDED 11/30/09

PART VII-B, ITEM 5 - STATEMENTS REGARDING ACTIVITIES

GRANTS TO WHICH EXPENDITURE RESPONSIBILITY APPLIED:

Grants made during year ended 11/30/09.

- 1 a. Grantee - Gibbet Hill Foundation, Chicago, IL
b. Date and amount of grant - 12/17/08, \$235,000
c. Purpose - For use by the grantee in pursuing its exempt purposes in such a manner as will not cause the grantor to incur a Chapter 42 excise tax.
d. Amount expended by grantee - \$235,000 (see Statement 9(a)).
e. Diversion of funds - The grantor has no knowledge that any portion of the \$235,000 grant has been diverted from the purpose of the grant.
f. Reports received from grantee - see Statement 9(a).
g. Verification of the grantee's report - The grantor has access to the grantee's financial statements, which are examined by Certified Public Accountants.
- 2 a. Grantee - James Deering Danielson Foundation, Chicago, IL
b. Date and amount of grant - 12/17/08, \$235,000
c. Purpose - For use by the grantee in pursuing its exempt purposes in such a manner as will not cause the grantor to incur a Chapter 42 excise tax.
d. Amount expended by grantee - \$235,000 (see Statement 9(b)).
e. Diversion of funds - The grantor has no knowledge that any portion of the \$235,000 grant has been diverted from the purpose of the grant.
f. Reports received from grantee - see Statement 9(b).
g. Verification of the grantee's report - The grantor has access to the grantee's financial statements, which are examined by Certified Public Accountants.
- 3 a. Grantee - The Danielson Foundation, Chicago, IL
b. Date and amount of grant - 12/17/08, \$235,000
c. Purpose - For use by the grantee in pursuing its exempt purposes in such a manner as will not cause the grantor to incur a Chapter 42 excise tax.
d. Amount expended by grantee - \$235,000 (see Statement 9(c)).
e. Diversion of funds - The grantor has no knowledge that any portion of the \$235,000 grant has been diverted from the purpose of the grant.
f. Reports received from grantee - see Statement 9(c).
g. Verification of the grantee's report - The grantor has access to the grantee's financial statements, which are examined by Certified Public Accountants.

DEERING FOUNDATION, E.I. #36-6051876, SCHEDULE OF INFORMATION FOR FORM 990-PF

INFORMATION RECEIVED FROM THE GIBBET HILL FOUNDATION

Grants dated December 17, 2008
in the amount of \$235,000
Report dated December 31, 2009

<u>Date Given</u>	<u>Public Charity</u>	<u>Amount</u>
10/15/09	Colorado Children's Choral	\$ 65,000
10/15/09	Denver Earth Resources Library	25,000
10/15/09	Groton School	
	Malcolm Strachan Chair of English Literature	50,000
	Faculty Salaries Fund	50,000
	Marion Danielson Campbell Performing Arts Center	15,000
10/15/09	New Orleans Geological Society Memorial Foundation	15,000
10/15/09	Northwestern University - Deering Library Fund (Portion of a \$25,000 contribution)	15,000
	TOTAL	<u>235,000</u>

STATEMENT 9(a)

DEERING FOUNDATION, E.I. #36-6051876, SCHEDULE OF INFORMATION FOR FORM 990-PF

INFORMATION RECEIVED FROM THE JAMES DEERING DANIELSON FOUNDATION

Grants dated December 17, 2008
in the amount of \$235,000
Report dated December 31, 2009

<u>Date Given</u>	<u>Public Charity</u>	<u>Amount</u>
11/25/09	Adopt-A-Classroom Inc	\$12,000
11/25/09	Alzheimer's Association	5,000
11/25/09	American Foreign Policy Council	2,000
11/25/09	Americans for Prosperity Foundation	2,000
11/25/09	Americans for Tax Reform Foundation	1,000
11/25/09	Atlas Economic Research Foundation	2,500
11/25/09	Capital Research Center	7,500
11/25/09	Center for Freedom and Prosperity	5,000
11/25/09	Clare Booth Luce Policy Institute	2,000
11/25/09	Coconut Grove Cares, Inc.	7,500
11/25/09	College of the Atlantic	100,000
11/25/09	Competitive Enterprise Institute	2,000
11/25/09	Deering Estate Foundation	10,000
11/25/09	The Discovery Institute	1,000
11/25/09	Doctors Without Borders	5,000
11/25/09	Environmental Resource Council	5,000
11/25/09	Fairchild Tropical Garden	2,500
11/25/09	Foxcroft School	5,000
11/25/09	David Horowitz Freedom Center	2,000
11/25/09	Friends of Acadia	5,000
11/25/09	The Heritage Foundation	5,000
11/25/09	Hospice of Hancock County	5,000
11/25/09	Institute for Humane Studies	2,000
11/25/09	Institute of World Politics	2,500
11/25/09	Intercollegiate Studies Institute	2,000
11/25/09	International Foundation for Art Research	5,000
11/25/09	Ketchum-Sun Valley Volunteer Associates, Inc.	5,000
11/25/09	Leadership Institute	2,000
11/25/09	Media Research Center	2,500
11/25/09	Mercatus Center	2,000
11/25/09	Northeast Harbor Ambulance Service Inc.	2,500
11/25/09	Positive Partners Assistance Dogs, Inc.	15,000
11/25/09	The Philadelphia Society	500
	(Portion of a \$2,500 contribution)	
	TOTAL	<u><u>\$235,000</u></u>

STATEMENT 9(b)

DEERING FOUNDATION, E.I. #36-6051876, SCHEDULE OF INFORMATION F

INFORMATION RECEIVED FROM THE DANIELSON FOUNDATION

Grants dated December 17, 2008
in the amount of \$235,000
Report dated December 31, 2009

<u>Date Given</u>	<u>Public Charity</u>	<u>Amount</u>
11/11/09	All Saints Episcopal Church	\$1,000
11/11/09	Creative Time, Inc.	6,000
11/11/09	Doctors Without Borders	2,500
11/11/09	Faith in America	3,000
11/11/09	Four Winds, Inc.	5,000
11/11/09	Friends of the Woodside Library	2,500
11/11/09	Gordie Foundation	2,000
11/11/09	Groton School	
	RED, Jr. Scholarship Fund	5,000
	Annual Fund	5,000
11/11/09	Hanley Hazeldon	2,500
11/11/09	Hollywood – Sunset Free Clinic	5,000
11/11/09	Hoover Institution on War, Revolution and Peace	5,000
11/11/09	Hospice Foundation of Palm Beach County, Inc.	2,500
11/11/09	Immaterial Inc.	5,000
11/11/09	Human Rights Watch	8,000
11/11/09	The Kitchen	2,500
11/11/09	Susan G. Komen Breast Cancer Foundation	2,500
11/11/09	Los Angeles Art (LAX Art)	6,000
11/11/09	Liberty Hill Foundation	
	General Fund	10,000
	Cassandra Fund	15,000
11/11/09	Linfield College	1,500
11/11/09	Lutherans Concerned North America	3,000
11/11/09	Mount St Mary's University	2,000
11/11/09	Museum of Contemporary Art (N. Miami)	3,000
11/11/09	Nature Conservancy	5,000
11/11/09	NephCure Foundation	1,000
11/11/09	Peggy Adams Animal Rescue League	1,500
11/11/09	Planned Parenthood Federation of America, Inc.	2,500
11/11/09	Planned Parenthood of the Palm Beach and Treasure Coast Area, Inc.	2,500
11/11/09	Reconciling Ministries Network	3,000
11/11/09	Renaissance Society at the University of Chicago	10,000
11/11/09	Robert Louis Stevenson High School	1,500
11/11/09	Ronald McDonald House	2,500
11/11/09	SMU – Parents Fund	2,500
11/11/09	SMU – Second Century Campaign	3,000
11/11/09	Sagebrush Equine Training Center for the Handicap	2,500
11/11/09	Sawtooth Botanical Gardens	2,000
11/11/09	St John's Hospital	3,000
11/11/09	St Luke's Wood River Foundation	30,000
11/11/09	Soulforce Inc	3,000
11/11/09	Sun Valley Summer Symphony	10,000
11/11/09	Thacher School	
	- Annual Fund	12,000
	- Art Department	5,000
11/11/09	Thacher School	27,000
	(Portion of a \$40,000 contribution)	
TOTAL		<u>\$ 235,000</u>

PART VIII, ITEM 1, LIST OF OFFICERS, DIRECTORS, TRUSTEES FOUNDATION MANAGER AND THEIR COMPENSATION

<u>Name and address</u>	<u>Title, and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account, other allowances</u>
John Rau	President/Director (1)	None	None	None
Barbara S. Danielson *	Vice President/Director (1)	None	None	None
Candida D. Burnap *	Vice President/Director (1)	None	None	None
Jocelyn D. Tennille *	Director (1)	None	None	None
Stephen M. Strachan *	Director (1)	None	None	None
Charles E. Seitz *	Director (1)	None	None	None
David E. Mates *	Secretary/Treasurer (1)	None	None	None
Barbara Goering *	Assistant Secretary/Assistant Treasurer (1)	None	None	None

* 410 North Michigan Avenue
Room 590
Chicago, Illinois 60611

(1) as necessary on an irregular basis

PART XV, ITEM 2, INFORMATION REGARDING CONTRIBUTION, GRANT, GIFT, LOAN, SCHOLARSHIP, ETC., PROGRAMS

Grants, scholarships, fellowships, loans, etc. generally are not made based upon an application. The Foundation has no formal application process as recipients are limited to organizations described in Section 170(c) of the Internal Revenue Code and are determined by the Foundation's Board of Directors.

DEERING FOUNDATION, E.I. #36-6051876, SCHEDULE OF INFORMATION FOR FORM 990-PF FOR THE YEAR ENDED 11/30/09

PART XV. ITEM 3-GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR OR APPROVED FOR FUTURE PAYMENT

	Pledged as of 11/30/08	Approved During Fiscal Year 2009	Paid During Fiscal Year 2009	Pledged as of 11/30/09
<u>CHARITABLE:</u>				
The Danielson Foundation, Chicago, Illinois	\$ -	\$ 235,000	\$ 235,000	\$ -
Gibbet Hill Foundation, Chicago, Illinois		235,000	235,000	
James Deering Danielson Foundation, Chicago, Illinois ..		235,000	235,000	
Subtotal.....		705,000	705,000	
<u>CULTURAL:</u>				
The Art Institute of Chicago, Chicago, Illinois		25,000	25,000	
Subtotal		25,000	25,000	
TOTAL \$	\$ -	\$ 730,000	\$ 730,000	\$ -

NOTE Except as noted, all grants and contributions listed above are classified as unrestricted and are to be used for the general exempt purpose of the organization to which the grant or contribution was made Except for the Danielson Foundation, James Deering Danielson Foundation, and Gibbet Hill Foundation, which are private non-operating foundations, all of these organizations are "public charities" and none is related to the Deering Foundation.