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

**2009**

Department of the Treasury  
Internal Revenue Service

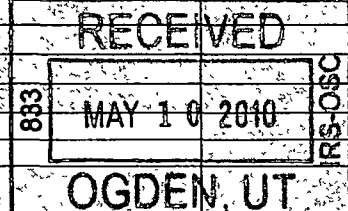
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning , 2009, and ending

G Check all that apply.  Initial return  Initial Return of a former public charity  Final return  
 Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions	Name of foundation <b>The John Milton Costello Foundation</b>	A Employer identification number <b>34-6738800</b>
	Number and street (or P O box number if mail is not delivered to street address) Room/suite <b>2500 Key Center, 127 Public Square 2500</b>	B Telephone number (see the instructions) <b>(216) 515-1607</b>
	City or town State ZIP code <b>Cleveland OH 44114-1230</b>	C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> 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"/>
H Check type of organization <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ <b>736,763.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 the instructions).)	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>REVENUE</b>				
1 Contributions, gifts, grants, etc. received (att sch)				
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	27,044.	27,044.	27,044.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
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/(loss) (att sch)				
11 Other income (attach schedule) See Line 11 Stmt				
<b>12 Total. Add lines 1 through 11</b>	<b>27,044.</b>	<b>27,044.</b>	<b>27,044.</b>	
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>				
13 Compensation of officers, directors, trustees, etc	10,000.	4,000.	4,000.	6,000.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) L-16a Stmt	3,794.	2,529.	2,529.	1,265.
b Accounting fees (attach sch)				
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instr) See Line 18 Stmt	706.	353.	353.	353.
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	150.	100.	100.	50.
<b>24 Total operating and administrative expenses. Add lines 13 through 23</b>	<b>14,650.</b>	<b>6,982.</b>	<b>6,982.</b>	<b>7,668.</b>
25 Contributions, gifts, grants paid	47,000.			47,000.
<b>26 Total expenses and disbursements. Add lines 24 and 25</b>	<b>61,650.</b>	<b>6,982.</b>	<b>6,982.</b>	<b>54,668.</b>
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-34,606.			
b Net investment income (if negative, enter -0-)		20,062.		
c Adjusted net income (if negative, enter -0-)			20,062.	



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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		
ASSETS	1	Cash – non-interest-bearing		6,224.	2,712.	2,663.
	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 (attach schedule) (see the 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) L-10a Stmt				
	b	Investments – corporate stock (attach schedule) L-10b Stmt		177,035.	145,968.	733,712.
	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)					
14	Land, buildings, and equipment basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe L-15 Stmt)		270.	388.	388.	
16	<b>Total assets</b> (to be completed by all filers – see instructions. Also, see page 1, item I)		183,529.	149,068.	736,763.	
LIABILITIES	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	<b>Total liabilities</b> (add lines 17 through 22)				
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	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		183,529.	149,068.	
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	<b>Total net assets or fund balances</b> (see the instructions)		183,529.	149,068.		
31	<b>Total liabilities and net assets/fund balances</b> (see the instructions)		183,529.	149,068.		

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	183,529.
2	Enter amount from Part I, line 27a	2	-34,606.
3	Other increases not included in line 2 (itemize) <b>Reserve Primary Fund value adjustment</b>	3	145.
4	Add lines 1, 2, and 3	4	149,068.
5	Decreases not included in line 2 (itemize)	5	
6	<b>Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30</b>	6	149,068.

**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)
1a 4300 American Income Fund	P	09/13/06	12/29/09
b 450 Blackrock Core Trust	P	09/19/06	12/29/09
c 57 Exxon	P	09/11/01	12/29/09
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 31,809.		35,028.	-3,219.
b 5,275.		5,884.	-609.
c 3,882.		156.	3,726.
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			-3,219.
b			-609.
c			3,726.
d			
e			

2 Capital gain net income or (net capital loss). <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	2	-102.
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) (see the instructions) If (loss), enter -0- in Part I, line 8 <span style="float:right">[ ]</span>	3	

**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))
2008		930,567.	
2007	56,432.	1,001,570.	0.056344
2006	45,831.	855,391.	0.053579
2005	36,815.	814,212.	0.045216
2004	35,134.	709,111.	0.049547

2 Total of line 1, column (d)	2	0.204686
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	0.051172
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	771,985.
5 Multiply line 4 by line 3	5	39,504.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	201.
7 Add lines 5 and 6	7	39,705.
8 Enter qualifying distributions from Part XII, line 4	8	54,668.

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 the 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 instr.)		
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	201.
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	201.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	201.
6	<b>Credits/Payments:</b>		
a	2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	388.
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	<b>Total credits and payments.</b> Add lines 6a through 6d	7	388.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached.	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	187.
11	Enter the amount of line 10 to be Credited to 2010 estimated tax <b>187.</b> Refunded	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a		X
b		X
<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>		
c		X
d		
e		
2		X
3		X
4 a		X
4 b		
5		X
6	X	
7	X	
8 a		
8 b	X	
9		X
10		X

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Form 990-PF (2009)

**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	13		X
Telephone no ▶ N/A				
14	The books are in care of ▶ Bernard H. Niehaus Telephone no ▶ (216) 515-1607			
Located at ▶ 2500 Key Center, 127 Public Square, Cleveland, OH ZIP + 4 ▶ 44114-1230				
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				

**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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
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 the instructions)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2009 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 2009.)	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 2009?	4b	X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** (continued)

**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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)?  Yes  No

Organizations relying on a current notice regarding disaster assistance check here

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

If 'Yes' to 6b, file Form 8870

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

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

**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 Attached List	See Attached	0.00		

**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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000  None

**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
Not Applicable		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services		None

**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** (see instructions)

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	
-----	
All other program-related investments. See instructions.	
3	
-----	
Total. Add lines 1 through 3	None

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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	1 a	774,819.
b	Average of monthly cash balances	1 b	8,922.
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	783,741.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	783,741.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	11,756.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	771,985.
6	Minimum investment return. Enter 5% of line 5	6	38,599.

**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	38,599.
2a	Tax on investment income for 2009 from Part VI, line 5	2 a	201.
b	Income tax for 2009 (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	201.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	38,398.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	38,398.
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	38,398.

**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	1 a	54,668.
b	Program-related investments – total from Part IX-B	1 b	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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	54,668.
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	201.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	54,467.

**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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				38,398.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			9,077.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: \$ 54,668.				
a Applied to 2008, but not more than line 2a			9,077.	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2009 distributable amount				38,398.
e Remaining amount distributed out of corpus	7,193.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	7,193.			
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				
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instructions			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	7,193.			
10 Analysis of line 9.				
a Excess from 2005	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	0.			
e Excess from 2009	7,193.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a 'Assets' alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

**Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)**

**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

See Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**Part XV** Supplementary Information (continued)

**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Attached Schedule		501(c)(3)	See Attached	47,000.
<b>Total</b>				▶ 3a 47,000.
b Approved for future payment				
<b>Total</b>				▶ 3b





THE JOHN MILTON COSTELLO FOUNDATION  
 Return of Private Foundation 34-6738800  
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PART I

Legal Fees, Line 16a	
Frantz Ward LLP	3,794.00
Taxes, Line 18	
Internal Revenue Service, prior year taxes and estimated taxes	506.00
State of Ohio	200.00
Other Expenses, Line 23	0.00
State of Ohio filing fee	25.00
Broker's transfer fee	125.00
TOTAL	<u>4,650.00</u>

PART II

Investments: Securities, Line 10 Market Value 12/31/2009

Line 10a U.S. & State Gov't Obligations	Book Value	Market Value
Sub Total	0.00	<u>0.00</u>
Line 10b Corporate Stock		
9336 shares Exxon	25,546.00	636,622.00
1414 shares of Duff Phelps	13,402.61	12,655.00
5040 American Income Fund	41,050.00	37,498.00
420 Blackrock Core Bond Trust	5,492.00	4,994.00
1125 Nuveen Real Estate Income Fund	25,160.00	9,090.00
900 Pimco Corporate Income	25,317.00	22,853.00
Royal Bank of Canada Term Note	10,000.00	10,000.00
Sub Total	<u>145,967.61</u>	<u>733,712.00</u>
Total Value	145,967.61	733,712.00

Line 15	
Prepaid tax	388.00

NOTE:

Compensation of the Trustees was charged 60% to the grant-related activities and 40% to the investment-related activities, based on the time spent on these activities.

Attorney's fees were charged 1/3 to the grant-related activities and 2/3 to the investment-related activities, based on a time spent formula.

The other expenses were prorated, charging 2/3 to the investment-related activities and 1/3 to the grant-related activities.

THE JOHN MILTON COSTELLO FOUNDATION  
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2009

## PART VIII

Information about Officers, Directors, Trustees, etc.

NAME	TITLE	EXPENSES	COMPENSATION
MARY JANE COLE 2595 Fenwick Road University Hgts, Ohio 44118	President Trustee		\$2,500.00
ELIZABETH B. MCKEGNEY 8 Lois Place RD # 2 Katonah, New York 10536	Vice President Trustee		\$2,500.00
LYNN KRATKY 6582 Edward Street Mentor, Ohio 44060	Trustee		\$2,500.00
BERNARD H. NIEHAUS 2500 Key Center, 127 Public Square Cleveland, Ohio 44114-1230	Sect./Trustee Attorney	\$0.00	\$2,500.00 \$3,794.00
Trustees' Total Compensation			\$10,000.00
Attorney's Total Compensation			\$3,794.00
Trustees' Total Expenses		\$0.00	

Compensation of the Trustees was charged 60% to the grant-related activities and 40% to the investment-related activities, based on the time spent on these activities.

Attorney's fees were charged 1/3 to the grant-related activities and 2/3 to the investment-related activities, based on a time spent formula. The attorney fees were paid to Frantz Ward LLP to which Mr Niehaus is a partner.

The other expenses were prorated, charging 2/3 to the investment-related activities and 1/3 to the grant-related activities.

## THE JOHN MILTON COSTELLO FOUNDATION

34-6738800

FORM 990PF Return of Private Foundation

2009

PART XV Grants and Contributions Paid During the Year

NAMES/ADDRESS	STATUS	PURPOSE	AMOUNT
CATHOLIC HUNGER & SHELTER FUND 1027 Superior Ave. N E. Cleveland, Ohio 44114	501(C)(3)	Human Services	6,000.00
MERRICK HOUSE 1050 Starkweather Avenue Cleveland, Ohio 44113	501(C)(3)	Human Services	2,000 00
HOLY FAMILY HOME 6707 State Road Parma, Ohio 44134	501(C)(3)	Human Services	3,000.00
URBAN COMMUNITY SCHOOL 4909 Lorain Avenue Cleveland, Ohio 44102	501(C)(3)	Human Services	2,000.00
RONALD McDONALD HOUSE OF CLEVELAND 10415 Euclid Avenue Cleveland, Ohio 44106-4709	501(C)(3)	Human Services	2,000.00
LITTLE SISTERS OF THE POOR 4291 Richmond Road Cleveland, Ohio 44122	501(C)(3)	Human Services	4,000 00
REGINA HEALTH CENTER 5232 Broadview Road Richfield, Ohio 44286	501(C)(3)	Human Services	4,500.00
BIG BROTHERS BIG SISTERS OF GREATER CLEVELAND 1422 Euclid Ave Suite # 552 Cleveland, Ohio 44115	501(C)(3)	Human Services	2,000.00
YWCA 4019 Prospect Avenue Cleveland, OH 44103	501(C)(3)	Human Services	2,000.00
THE CITY MISSION (Laura's House) 5310 Carnegie Avenue Cleveland, OH 44103	501(C)(3)	Human Services	2,000.00

JENNINGS CENTER FOR OLDER ADULTS 10204 Granger Road Garfield Heights, Ohio 44125	501(C)(3)	Human Services	2,500.00
PROVIDENCE HOUSE 2037 West 32nd Street Cleveland, Ohio 44113	501(C)(3)	Human Services	3,000.00
CLEVELAND SIGHT CENTER 1909 East 101st. Street Cleveland, OH 44106-8696	501(C)(3)	Human Services	2,000.00
HELP FOUNDATION, INC. (Catherine Horstmann Home) 3622 Prospect Avenue-East Cleveland, Ohio 44115-2704	501(C)(3)	Human Services	2,000.00
CLEVELAND HEARING & SPEECH CENTER 11635 Euclid Avenue Cleveland, OH 44106-4319	501(C)(3)	Human Services	2,000.00
EMMANUEL COMMUNITY CARE CENTER 2 North State Street Girard, OH 44420	501(C)(3)	Human Services	2,000.00
THE LEGAL AID SOCIETY 1223 West Sixth Street Cleveland, OH 44113	501(C)(3)	Human Services	2,000.00
THE SALVATION ARMY 2507 East 22nd Street Cleveland, OH 44115	501(C)(3)	Human Services	2,000.00
TOTAL			47,000.00