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

2010

Department of the Treasury
Internal Revenue Service

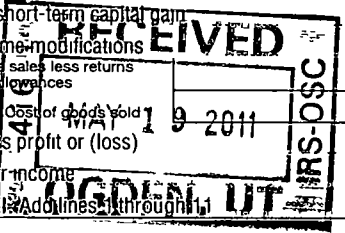
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

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

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

Name of foundation: **UNICORN RESEARCH FOUNDATION**
 A Employer identification number: **01-0586840**
 Number and street (or P O box number if mail is not delivered to street address): **POST OFFICE BOX 715**
 B Telephone number: **269-983-1554**
 City or town, state, and ZIP code: **CAYUCOS, CA 93430**
 H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation
 I Fair market value of all assets at end of year (from Part II, col. (c), line 16): **\$ 144,958.**
 J Accounting method: Cash Accrual
 Other (specify) _____
 E If private foundation status was terminated under section 507(b)(1)(A), check here
 F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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	185,439.		N/A	
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	16,131.			
	b Gross sales price for all assets on line 6a	16,131.			
	7 Capital gain net income (from Part IV, line 2)		16,131.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total (Add lines 1 through 11)	201,570.	16,131.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 1	21,851.	1,093.		20,758.
	b Accounting fees STMT 2	5,400.	540.		4,860.
	c Other professional fees				
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion	32,871.	0.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 3	174,998.	14,535.		160,463.
	24 Total operating and administrative expenses. Add lines 13 through 23	235,120.	16,168.		186,081.
	25 Contributions, gifts, grants paid	0.			0.
26 Total expenses and disbursements. Add lines 24 and 25	235,120.	16,168.		186,081.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<33,550.>				
b Net investment income (if negative, enter -0-)		0.			
c Adjusted net income (if negative, enter -0-)			N/A		



SCANNED MAY 25 2011

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		1,328.	649.	649.
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
		b Investments - corporate stock				
		c Investments - corporate bonds				
11	Investments - land, buildings, and equipment: basis ▶					
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment: basis ▶	845,434.				
	Less accumulated depreciation STMT 5 ▶	701,125.	177,180.	144,309.	144,309.	
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		178,508.	144,958.	144,958.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		178,508.	144,958.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances		178,508.	144,958.		
31	Total liabilities and net assets/fund balances		178,508.	144,958.		

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	178,508.
2	Enter amount from Part I, line 27a	2	<33,550.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	144,958.
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	144,958.

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 SHEEP SALES	P	VARIOUS	03/23/10
b SHEEP SALES	P	VARIOUS	09/03/10
c SHEEP SALES	P	VARIOUS	09/27/10
d CATTLE SALES	P	VARIOUS	07/19/10
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5,600.			5,600.
b 816.			816.
c 8,215.			8,215.
d 1,500.			1,500.
e			

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			5,600.
b			816.
c			8,215.
d			1,500.
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	16,131.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

N/A

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

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

Yes No

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

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009			
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4 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.	8	

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input checked="" type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: <u>08/22/10</u> (attach copy of letter if necessary-see instructions)	1	N/A
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		
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	
3	Add lines 1 and 2	3	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	0.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
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	0.
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	
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ► NONE	13	X	
14	The books are in care of ► LYDIA DEMSKI Telephone no. ► 269-983-1554 Located at ► 2095 NILES ROAD, ST. JOSEPH, MI ZIP+4 ► 49085-2473			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15		N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____, _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

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

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

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

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

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) N/A

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.

(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
LYDIA DEMSKI 2095 NILES ROAD ST JOSEPH, IL 49085	PRESIDENT 5.00	0.	0.	0.
DR. CHRISTENSEN 5306 CABRILLO HIGHWAY #1 CAYUCOS, CA 93430	DIRECTOR 1.00	0.	0.	0.
DR. GLEN ERICKSEN 5306 CABRILLO HIGHWAY #1 CAYUCOS, CA 93430	DIRECTOR 1.00	0.	0.	0.
WARREN KUHL 5306 CABRILLO HIGHWAY #1 CAYUCOS, CA 93430	DIRECTOR 80.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. Row 1 contains 'NONE'.

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

Table with 2 columns: Description of activities, Expenses. Row 1 contains 'N/A'.

Part IX-B Summary of Program-Related Investments

Table with 2 columns: Description of investments, Amount. Row 1 contains 'N/A'. Total at bottom right is 0.

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	0.
b	Average of monthly cash balances	1b	3,759.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,759.
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	3,759.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	56.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,703.
6	Minimum investment return. Enter 5% of line 5	6	185.

Part XI Distributable Amount (see instructions) (Section 4942(i)(3) and (i)(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	
2a	Tax on investment income for 2010 from Part VI, line 5	2a	
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	

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	186,081.
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	186,081.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	186,081.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				232,724.
d From 2008				
e From 2009				
f Total of lines 3a through e	232,724.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ N/A				
a Applied to 2009, 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 2010 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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:	232,724.			
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 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	232,724.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				232,724.
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

- 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 2010, 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				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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	0.	0.	0.	0.	0.
b 85% of line 2a	0.	0.	0.	0.	0.
c Qualifying distributions from Part XII, line 4 for each year listed	186,081.	247,474.	321,996.	233,920.	989,471.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	186,081.	247,474.	321,996.	233,920.	989,471.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets			291,954.	299,964.	591,918.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)			291,954.	299,964.	591,918.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	123.	151.	272.	0.	546.
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)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

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

LYDIA DEMSKI

- 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:

- 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	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
Name and address (home or business)				
<p>a <i>Paid during the year</i></p> <p style="text-align: center;">NONE</p>				
<p>Total</p>			▶ 3a	0.
<p>b <i>Approved for future payment</i></p> <p style="text-align: center;">NONE</p>				
<p>Total</p>			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue (a-f), 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments, 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate (a-b), 6 Net rental income or (loss) from personal property, 7 Other investment income, 8 Gain or (loss) from sales of assets other than inventory (01, 16,131.), 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue (a-e), 12 Subtotal (0., 16,131., 0.), 13 Total (13, 16,131.).

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

Table with 2 columns: Line No. (with a downward arrow), and Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). The table contains multiple empty rows for text entry.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

UNICORN RESEARCH FOUNDATION

Employer identification number

01-0586840

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

-
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

-
- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

-
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use
- exclusively*
- for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III.

-
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use
- exclusively*
- for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an
- exclusively*
- religious, charitable, etc., purpose. Do not complete any of the parts unless the
- General Rule**
- applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

UNICORN RESEARCH FOUNDATION

01-0586840

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	LYDIA DEMSKI 2095 NILES ROAD ST JOSEPH, MI 49085	\$ 77,700.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	LYDIA DEMSKI 2095 NILES ROAD ST JOSEPH, MI 49085	\$ 107,739.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

UNICORN RESEARCH FOUNDATION

01-0586840

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	LABOR	\$ 107,739.	VARIOUS

Name of organization UNICORN RESEARCH FOUNDATION	Employer identification number 01-0586840
--	---

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	ROAD REPAIRS	010102	200DB	5.00	17	156,462.			156,462.	135,777.		0.
2	DONKEYS	010102	200DB	7.00	17	7,500.			7,500.	7,500.		0.
3	FARM EQUIPMENT	010102	200DB	7.00	17	11,968.			11,968.	11,968.		0.
4	FENCING	010102	200DB	7.00	17	92,035.			92,035.	92,035.		0.
5	IRRIGATION	010102	150DB	15.00	17	50,217.			50,217.	40,170.		2,968.
6	ROAD REPAIRS	010103	200DB	5.00	17	46,910.			46,910.	44,231.		0.
7	BOBCAT	010103	200DB	5.00	17	27,831.			27,831.	26,242.		0.
8	FARM EQUIPMENT	010103	200DB	7.00	17	2,156.			2,156.	2,060.		96.
9	FENCING	010103	200DB	7.00	17	53,794.			53,794.	51,395.		2,399.
10	SHEEP	010103	200DB	7.00	17	6,100.			6,100.	5,829.		271.
11	IRRIGATION	010103	150DB	15.00	17	62,161.			62,161.	36,738.		3,668.
12	CATTLE	010104	200DB	7.00	17	16,000.			16,000.	13,857.		1,429.
13	IRRIGATION	010104	150DB	15.00	17	2,907.			2,907.	1,276.		172.
14	LOWLINED CATTLE	011304	200DB	7.00	17	34,250.			34,250.	29,664.		3,059.
15	CATTLE	011604	200DB	7.00	17	5,800.			5,800.	5,022.		518.
16	CATTLE	012004	200DB	7.00	17	20,000.			20,000.	17,322.		1,786.
17	TRAILER	010405	200DB	5.00	17	2,800.			2,800.	2,640.		160.
18	IRRIGATION	101205	150DB	15.00	17	2,717.			2,717.	1,023.		169.

2010 DEPRECIATION AND AMORTIZATION REPORT
FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
19	FENCING	091905	200DB	7.00	17	25,449.			25,449.	19,772.		2,270.
20	TRAILER	062905	200DB	5.00	17	14,000.			14,000.	13,194.		806.
21	TRENCHER	061005	200DB	7.00	17	3,995.			3,995.	3,104.		356.
22	ANIMAL SHELTER	120905	SL	39.00	17	26,531.			26,531.	2,748.		680.
23	CORRAL	060105	200DB	7.00	17	2,765.			2,765.	2,148.		247.
24	ANIMAL SHELTER ROOF	010506	SL	39.00	17	2,731.			2,731.	277.		70.
25	CORRALS	030106	200DB	7.00	17	25,248.			25,248.	17,360.		2,255.
26	ASPHALT ROAD	090206	200DB	5.00	17	22,371.			22,371.	18,505.		2,577.
27	BOBCAT	061006	200DB	5.00	17	2,018.			2,018.	1,669.		232.
28	TRUCK DEPOSIT	113006		.00	16	1,000.			1,000.			0.
29	FENCING	031507	150DB	15.00	17	15,545.			15,545.	3,583.		1,196.
30	IRRIGATION SYSTEM	011708	150DB	15.00	17	7,010.		3,505.	3,505.	508.		300.
31	LANDSCAPE	042308	150DB	15.00	17	6,423.		3,212.	3,211.	466.		275.
32	WATER SUPPLY	011708	150DB	15.00	17	54,221.		27,111.	27,110.	3,931.		2,318.
33	CATTLE EQUIPMENT	101508	150DB	7.00	17	3,864.		1,932.	1,932.	577.		290.
34	CATTLE CORRALS	081208	150DB	7.00	17	30,655.		15,328.	15,327.	4,575.		2,304.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	* TOTAL 990-PF PG 1 DEPR					845,434.		51,088.	794,346.	617,166.	0.	32,871.

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FORM 990-PF	LEGAL FEES			STATEMENT 1
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY FEES	21,851.	1,093.		20,758.
TO FM 990-PF, PG 1, LN 16A	21,851.	1,093.		20,758.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WARADY & DAVIS LLP	5,400.	540.		4,860.
TO FORM 990-PF, PG 1, LN 16B	5,400.	540.		4,860.

FORM 990-PF	OTHER EXPENSES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ANIMAL FEED/GRAIN/HAY/OTHER	30,725.	3,072.		27,653.
TRUCK FUEL/REG/REPAIR	13,246.	0.		13,246.
MAINTENANCE-SHELTER, CORRALS, GROUNDS, ETC	6,360.	418.		5,942.
SUPPLIES	3,243.	0.		3,243.
VETERINARY	3,617.	181.		3,436.
BANK CHARGES	115.	0.		115.
BREEDING RESEARCH	600.	0.		600.
DUES AND SUBSCRIPTIONS	1,126.	0.		1,126.
MANAGERS QTRS	6,625.	0.		6,625.
MISCELLANEOUS	129.	0.		129.
OFFICE SUPPLIES	365.	0.		365.
WORKERS WAGES PAID BY DONOR	107,739.	10,774.		96,965.
STATE FEES	205.	0.		205.
CATTLE EXPENSE	903.	90.		813.
TO FORM 990-PF, PG 1, LN 23	174,998.	14,535.		160,463.

FOOTNOTES

STATEMENT 4

FORM 990-PF, PART VII-B, LINE 1(A)(3)
THE ORGANIZATION'S PRESIDENT PROVIDES THE USE OF THE
FACILITIES FREE OF CHARGE

FORM 990-PF, PART I, LINE 16, COLUMN (A)
DYKEMA, AUDIT DEFENSE

21,851.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
ROAD REPAIRS	156,462.	135,777.	20,685.
DONKEYS	7,500.	7,500.	0.
FARM EQUIPMENT	11,968.	11,968.	0.
FENCING	92,035.	92,035.	0.
IRRIGATION	50,217.	43,138.	7,079.
ROAD REPAIRS	46,910.	44,231.	2,679.
BOBCAT	27,831.	26,242.	1,589.
FARM EQUIPMENT	2,156.	2,156.	0.
FENCING	53,794.	53,794.	0.
SHEEP	6,100.	6,100.	0.
IRRIGATION	62,161.	40,406.	21,755.
CATTLE	16,000.	15,286.	714.
IRRIGATION	2,907.	1,448.	1,459.
LOWLINED CATTLE	34,250.	32,723.	1,527.
CATTLE	5,800.	5,540.	260.
CATTLE	20,000.	19,108.	892.
TRAILER	2,800.	2,800.	0.
IRRIGATION	2,717.	1,192.	1,525.
FENCING	25,449.	22,042.	3,407.
TRAILER	14,000.	14,000.	0.
TRENCHER	3,995.	3,460.	535.
ANIMAL SHELTER	26,531.	3,428.	23,103.
CORRAL	2,765.	2,395.	370.
ANIMAL SHELTER ROOF	2,731.	347.	2,384.
CORRALS	25,248.	19,615.	5,633.
ASPHALT ROAD	22,371.	21,082.	1,289.
BOBCAT	2,018.	1,901.	117.
TRUCK DEPOSIT	1,000.	0.	1,000.
FENCING	15,545.	4,779.	10,766.
IRRIGATION SYSTEM	7,010.	4,313.	2,697.
LANDSCAPE	6,423.	3,953.	2,470.
WATER SUPPLY	54,221.	33,360.	20,861.
CATTLE EQUIPMENT	3,864.	2,799.	1,065.
CATTLE CORRALS	30,655.	22,207.	8,448.
TOTAL TO FM 990-PF, PART II, LN 14	845,434.	701,125.	144,309.