Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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

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

Name of foundation
SCHWAB-RAINESS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
P.O. BOX 5796

Room/suite

City or town, state, and ZIP code
HARRISBURG PA 17110

A Employer identification number
23-6401901

B Telephone number (see page 10 of the instructions)
717-233-8083

C If exemption application is pending, check here ▶ ☐
D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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) ▶ $ 5,143,442

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

Part I	**Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc , received (attach schedule)	304,389			
2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	6,832	6,832		
4	Dividends and interest from securities	141,222	141,222		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	317,814			
b	Gross sales price for all assets on line 6a 701,131				
7	Capital gain net income (from Part IV, line 2)		317,814		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	770,257	465,868	0	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 1	6,400	1,920		4,480
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) STMT 2	21,299	1,440		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 3	6,457	3,221		3,236
24	**Total operating and administrative expenses.** Add lines 13 through 23	34,156	6,581	0	7,716
25	Contributions, gifts, grants paid	270,925			270,925
26	**Total expenses and disbursements.** Add lines 24 and 25	305,081	6,581	0	278,641
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	465,176			
b	**Net investment income** (if negative, enter -0-)		459,287		
c	**Adjusted net income** (if negative, enter -0-)			0	

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	11,783	53,247	53,247
	2	Savings and temporary cash investments	221,490	19,700	19,700
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) SEE STMT 4	2,808,588	3,413,568	4,792,986
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) SEE STATEMENT 5	275,000	275,000	277,509
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	3,316,861	3,761,515	5,143,442
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 (attach schedule)			
	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 ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	3,316,861	3,761,515	
	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** (see page 17 of the instructions)	3,316,861	3,761,515	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,316,861	3,761,515	

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	3,316,861
2	Enter amount from Part I, line 27a	2	465,176
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,782,037
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	20,522
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,761,515

DAA

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 WORKSHEET			
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				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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				
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	317,814
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	2,332

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 page 18 of 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 (col (b) divided by col (c))
2009	260,524	3,884,474	0.067068
2008	221,235	4,965,482	0.044555
2007	202,645	5,141,179	0.039416
2006	321,505	4,624,862	0.069517
2005	363,964	4,156,605	0.087563

2	Total of line 1, column (d)	2	0.308119
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	0.061624
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	4,574,304
5	Multiply line 4 by line 3	5	281,887
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,593
7	Add lines 5 and 6	7	286,480
8	Enter qualifying distributions from Part XII, line 4	8	278,641

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 on page 18

DAA

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of 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	9,186
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	9,186
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	9,186
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	12,680		
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	12,680
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	3,494
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 3,494 Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	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			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
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	2		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	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		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?	6	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	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ PA			
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	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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 page 20 of the 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 ▶ ISRAEL SCHWAB Telephone no ▶ 717-233-8083
3525 N. 6TH STREET
Located at ▶ HARRISBURG PA ZIP+4 ▶ 17110

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

			Yes	No
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?	16		X
	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 ▶			

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 22 of the instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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? ☐ Yes ☒ 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 page 22 of the 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 ▶ 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? ☐ Yes ☒ 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)

			Yes	No
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 page 22 of the 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 page 22 of the instructions)? N/A	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7				

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

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

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	4,600,898
b	Average of monthly cash balances		1b	43,065
c	Fair market value of all other assets (see page 25 of the instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	4,643,963
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0		
2	Acquisition indebtedness applicable to line 1 assets		2	0
3	Subtract line 2 from line 1d		3	4,643,963
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)		4	69,659
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	4,574,304
6	**Minimum investment return.** Enter 5% of line 5		6	228,715

Part XI **Distributable Amount** (see page 25 of the 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	228,715
2a	Tax on investment income for 2010 from Part VI, line 5	2a	9,186		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	9,186
3	Distributable amount before adjustments Subtract line 2c from line 1			3	219,529
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	219,529
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	219,529

Part XII **Qualifying Distributions** (see page 25 of the 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	278,641
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	278,641
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 page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	278,641

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 page 26 of the instructions)

			(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7					219,529
2	Undistributed income, if any, as of the end of 2010					
a	Enter amount for 2009 only					
b	Total for prior years 20____ , 20____ , 20____					
3	Excess distributions carryover, if any, to 2010					
a	From 2005	332,992				
b	From 2006	96,214				
c	From 2007					
d	From 2008					
e	From 2009	91,658				
f	**Total** of lines 3a through e		520,864			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 278,641					
a	Applied to 2009, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d	Applied to 2010 distributable amount					219,529
e	Remaining amount distributed out of corpus		59,112			
5	Excess distributions carryover applied to 2010 (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		579,976			
b	Prior years' undistributed income Subtract line 4b from line 2b					
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 page 27 of the instructions					
e	Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
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) (see page 27 of the instructions)					
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		332,992			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		246,984			
10	Analysis of line 9					
a	Excess from 2006	96,214				
b	Excess from 2007					
c	Excess from 2008					
d	Excess from 2009	91,658				
e	Excess from 2010	59,112				

Part XIV · Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a 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	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a 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 foundation had $5,000 or more in assets at any time during the year—see page 28 of 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))

N/A

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

N/A

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 page 28 of the 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

ISRAEL SCHWAB 717-233-8083
P.O. BOX 5796 HARRISBURG, PA 17110

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

SEE STATEMENT 8

c Any submission deadlines

APPLICATIONS ARE ACCEPTED AT ANY TIME.

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

N/A

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 SCHEDULE	N/A	PUBLIC	ORGANIZATIONS' EXEMPT PURPOSE	270,925
Total			▶ 3a	270,925
b Approved for future payment				
N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion 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	6,832	
4 Dividends and interest from securities			14	141,222	
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					
8 Gain or (loss) from sales of assets other than inventory			18	317,814	
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		465,868	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 465,868

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

Line No. ▼	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) (See page 29 of the instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 5/16/11 Title: Secretary

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
ANDREA D. JOHNSON, CPA	[signature]	04/28/11	

Firm's name ▶ MARTIN M. SACKS & ASSOCIATES — PTIN P00528866

Firm's address ▶ 4775 LINGLESTOWN ROAD, HARRISBURG, PA 17112 — Firm's EIN ▶ 23-1979781 — Phone no 717-657-1300

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	Employer identification number
SCHWAB-RAINESS FOUNDATION	23-6401901

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 foundation

Check 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)

Name of organization: SCHWAB-RAINESS FOUNDATION

Employer identification number: 23-6401901

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	D & H DISTRIBUTING COMPANY 2525 N. SEVENTH STREET HARRISBURG PA 17110	$ 190,000	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
2	JARB POST OFFICE BOX 5796 HARRISBURG PA 17110	$ 19,995	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution)
3	D & H CARES 2525 N. SEVENTH STREET HARRISBURG PA 17110	$ 89,512	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

DAA

Name of organization	Employer identification number
SCHWAB-RAINESS FOUNDATION	23-6401901

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	740 SHARES MICROSOFT CORP	$ 19,995	12/03/10

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Form 990-PF Capital Gains and Losses for Tax on Investment Income 2010

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

Name	Employer Identification Number
SCHWAB-RAINESS FOUNDATION	23-6401901

	(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)
(1)	DOMINION RESOURCES INC	P	VARIOUS	03/08/10
(2)	E I DUPONT	P	VARIOUS	VARIOUS
(3)	EL PASO CORP	P	VARIOUS	VARIOUS
(4)	FORD MOTOR COMPANY	P	VARIOUS	02/17/10
(5)	HERSHA HOSPITALITY TRUST	P	VARIOUS	VARIOUS
(6)	JP CHASE & CO	P	VARIOUS	04/12/10
(7)	KRAFT FOODS	P	VARIOUS	VARIOUS
(8)	PHILIP MORRIS INTL INC	P	VARIOUS	02/17/10
(9)	REYNOLDS AMERICAN INC	P	VARIOUS	01/04/10
(10)	SEI INVESTMENTS CO	P	VARIOUS	VARIOUS
(11)	SUNTRUST BANKS INC	P	VARIOUS	04/28/10
(12)	UGI CORP NEW	P	VARIOUS	VARIOUS
(13)	USEC INC.	P	VARIOUS	03/18/10
(14)	UNUM GROUP	P	VARIOUS	VARIOUS
(15)	OPPENHEIMER GOLD AND SPEC MINERALS	P	VARIOUS	09/24/10

	(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)
(1)	38,816		5,072	33,744
(2)	59,055		64,343	-5,288
(3)	64,609		47,560	17,049
(4)	19,396		26,836	-7,440
(5)	16,559		28,818	-12,259
(6)	46,063		11,216	34,847
(7)	48,824		14,171	34,653
(8)	29,604		9,461	20,143
(9)	37,174		10,700	26,474
(10)	43,073		468	42,605
(11)	17,844		2,939	14,905
(12)	116,202		35,899	80,303
(13)	10,630		29,207	-18,577
(14)	43,286			43,286
(15)	20,000		12,093	7,907

	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) 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	
(1)				33,744
(2)				-5,288
(3)				17,049
(4)				-7,440
(5)				-12,259
(6)				34,847
(7)				34,653
(8)				20,143
(9)				26,474
(10)				42,605
(11)				14,905
(12)				80,303
(13)				-18,577
(14)				43,286
(15)				7,907

Form 990-PF — Capital Gains and Losses for Tax on Investment Income — 2010

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

Name	Employer Identification Number
SCHWAB-RAINESS FOUNDATION	23-6401901

	(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)
(1)	BOND FUND OF AMERICA	P	06/22/09	05/26/10
(2)	FUNDAMENTAL INVESTORS FUND	P	06/22/09	05/26/10
(3)	GROWTH FUND OF AMERICA	P	06/22/09	05/26/10
(4)	INTERNATIONAL GROWTH AND INCOME FD	P	06/22/09	05/26/10
(5)	INVESTMENT COMPANY OF AMERICA	P	06/22/09	05/26/10
(6)	NEW PERSPECTIVE FUND CLASS A	P	06/22/09	05/26/10
(7)	BOND FUND OF AMERICA	P	VARIOUS	VARIOUS
(8)	SHORT TERM BOND FUND AMERICA	P	VARIOUS	12/22/10
(9)	FRONTIER COMMUNICATIONS	P	VARIOUS	VARIOUS
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

	(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)
(1)	5,400		4,989	411
(2)	4,500		3,833	667
(3)	4,100		3,540	560
(4)	1,000		933	67
(5)	4,000		3,507	493
(6)	1,000		866	134
(7)	44,995		42,165	2,830
(8)	24,995		24,701	294
(9)	6			6
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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))
(1)				411
(2)				667
(3)				560
(4)				67
(5)				493
(6)				134
(7)				2,830
(8)				294
(9)				6
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MARTIN M. SACKS $ ASSOC., CPA'S	$	$	$	$
ACCTG SRVCS/PREP OF FORM 990-PF	6,400	1,920		4,480
TOTAL	$ 6,400	$ 1,920	$ 0	$ 4,480

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FED'L EXCISE TAX ON NET INV INC	$ 19,859	$	$	$
FOREIGN TAX WITHHELD ON DIVIDEND	1,440	1,440		
TOTAL	$ 21,299	$ 1,440	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
OFFICE SERVICES	6,442	3,221		3,221
PA FILING FEE	15			15
TOTAL	$ 6,457	$ 3,221	$ 0	$ 3,236

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
AEGON N.V.7.25% PFD	$ 40,000	$ 40,000		$ 38,272
AES CORP	24,588	24,588		30,450
AT&T CORP	36,150	36,150		67,368
ALLEGHENY ENERGY INC	9,875	9,875		24,240

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ALLIED IRISH BKS PLC SPON ADR	$ 13,045	$ 13,045		$ 4,840
ALTRIA GROUP INC	13,810	13,810		59,088
BANK OF AMERICA CORP	12,000	12,000		10,325
BANK OF AMERICA CORP 8.200% PFD	28,000	28,000		28,560
BANK OF AMERICA CORP 8.625% PFD	50,000	50,000		51,620
CITIGROUP INC	20,527	20,527		28,380
DOMINION RESOURCES INC VA NEW	5,072			
EI DUPONT DE NEMOURS & CO	64,343			
EL PASO CORP	47,560			
ENBRIDGE ENERGY PARTNERS LP	50,980	50,980		62,380
ENTERPRISE PRODS PARTNERS LP	26,500	26,500		51,596
EXXON MOBIL CORP	96,079	96,079		219,360
FORD MOTOR CO	26,836			
FRONTIER COMMUNICATIONS				1,226
GENERAL ELECTRIC CO	55,335	55,335		310,930
HERSHA HOSPITALITY TRUST CL A	63,397	34,580		52,800
INTL BUSINESS MACHINES CORP	6,686	6,686		29,352
JP MORGAN CHASE & CO	33,646	22,431		84,840
JOHNSON & JOHNSON	2,826	2,826		37,110
KINDER MORGAN ENERGY PARTNERS		2,441		4,918
KRAFT FOODS	14,171			
MFA MORTGAGE INVESTMENTS INC	24,751	24,751		32,640
MARATHON OIL CORP	16,224	16,224		55,545
MICROSOFT CORPORATION	4,004	5,917		120,767
PEPCO HOLDINGS INC	10,950	10,950		10,147
PHILIP MORRIS INTL	9,461			

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
PFIZER INC.	$ 19,779	$ 19,779		$ 20,697
PRUDENTIAL FINANCIAL	40,000	40,000		43,984
REYNOLDS, AMERICAN INC	10,700			
RITE AID CORP	2,227	2,227		5,017
SEI INVESTMENTS CO	468			
SUNTRUST BANKS INC	2,939			
TECO ENERGY INC	13,758	13,758		35,600
UGI CORP NEW	35,899			
USEC INC	29,207			
VERIZON COMMUNICATIONS	4,340	4,340		18,892
WACHOVIA CAPITAL TR X	40,000	40,000		42,160
WASHINGTON REAL EST INV TR SBI	12,967	12,967		46,485
AMERICAN FUNDS S. T. BOND FD CL A	50,228	51,483		51,669
BARCLAYS TREAS INFLATION PROT SEC FD	50,601	50,601		53,760
BARCLAYS 7-10 YR TREAS BOND FUND	53,832	53,832		56,292
BARCLAYS 1-3 YR TREAS BOND FUND	50,322	50,322		50,388
BLACKROCK BUILD AMERICA BOND TRUST		35,060		34,720
BLACKROCK/GSO SR FLOATING RATE TERM		38,991		39,920
BOND FUND OF AMERICA CL A	60,910	31,446		32,262
CAPITAL INCOME BUILDER FUND CL A	51,052	74,244		81,352
CAPITAL WORLD GRWTH & INCOME FD CL A	50,448	72,491		82,533
DIAMONDS TRUST SERIES 1	33,249	33,249		46,252
DOW JONES US REAL ESTATE INDEX FD	30,493	30,493		44,768
EUROPACIFIC GROWTH FUND CL A	35,635	51,451		59,990
FUNDAMENTAL INVESTORS FUND CL A	70,450	88,309		108,998
GOLDMAN SACHS CAPTL GRWTH FND CL A	33,945	33,945		58,691

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GROWTH FUND OF AMERICA CL A	$ 70,608	$ 87,920		$ 106,664
INTERNATIONAL GRWTH & INCOME FD CL A	61,258	73,052		81,403
INVESTMENT CO. OF AMERICA FD CL A	80,838	109,900		129,865
MSCI EMERGING MKTS INDEX FUND	31,175	31,175		47,642
MORGAN STANLEY INCOME SECURITIES INC	57,905	57,905		50,490
NEW PERSPECTIVE FUND CL A	70,951	91,213		112,449
NEW WORLD FUND CL A	40,542	51,451		64,884
NUVEEN BUILD AMER BD FD		36,790		36,740
NUVEEN PFD & CONV INCOME FUND	30,000	30,000		16,700
OPPENHEIMER COMM STRAT TOTAL RET FD	30,000	91,478		101,408
OPPENHEIMER DEV. MARKETS FUND CL A	40,179	75,312		99,623
OPPENHEIMER EQUITY INCOME FUND CL A		60,857		66,990
OPPENHEIMER GOLD & SP MINERALS FD	35,739	90,413		118,388
OPPENHEIMER INTL BOND FUND CL A	75,632	106,005		107,501
OPPENHEIMER INTL GROWTH FUND CL A	40,260	75,693		86,877
OPPENHEIMER MAIN STREET OPPORTUNITY		35,000		39,026
OPPENHEIMER REAL ESTATE FUND CL A	50,217	101,471		130,290
OPPENHEIMER RISING DIVIDENDS FD CL A	90,844	204,170		231,337
OPPENHEIMER QUEST OPPORT. VALUE FD	50,000	91,851		96,829
OPPENHEIMER QUEST INTL VALUE FD CL A	41,592	109,351		120,663
RUSSELL 2000 INDEX FUND	33,660	33,660		46,944
SMALLCAP WORLD FUND CL A	35,256	51,185		70,203
SPDR DOW JONES REIT ETF	49,976	49,976		91,530
TR DOW JONES SELECT DIVIDEND INDEX	39,046	39,046		49,860
TR MSCI EAFE INDEX FUND	35,869	35,869		46,576
VANGUARD REIT ETF	45,560	45,560		71,981

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
WASHINGTON MUTUAL INVESTORS FD CL A	$ 81,216	$ 114,582		$ 138,939
TOTAL	$ 2,808,588	$ 3,413,568		$ 4,792,986

Statement 5 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STATE OF ISRAEL BOND VRI:	$	$		$
DUE 5/1/2015	25,000	25,000		24,999
STATE OF ISRAEL BOND:				
4.75% DUE 1/15/2011	50,000	50,000		50,053
6.35% DUE 8/1/2012	25,000	25,000		26,204
4.24% DUE 7/1/2014	25,000	25,000		26,780
4.80% DUE 1/1/2012	50,000	50,000		50,000
2.33% DUE 3/1/2010	50,000			
2.55% DUE 6/1/2010	50,000			
1.90% DUE 3/1/2013		50,000		50,000
1.40% DUE 7/1/2013		50,000		49,473
TOTAL	$ 275,000	$ 275,000		$ 277,509

Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
ADJUST FMV OF NON-CASH CONTRIBUTION TO COST BASIS	$ 20,522
TOTAL	$ 20,522

Federal Statements

Statement 7 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
ISRAEL SCHWAB 2525 NORTH 7TH STREET HARRISBURG PA 17110	PRESIDENT	AS NEEDED	0	0	0
ANDREW SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	SEC/TREAS	0.00	0	0	0
MICHAEL SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0
DANIEL SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0
AMY SILFEN P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0

Statement 8 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
A LETTER STATING REQUEST FOR FUNDS AND EXPLANATION OF NEED.

SCHWAB-RAINESS FOUNDATION

23-6401901

FORM 990-PF - 2010

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
American Cancer Society 3211 N. Front Street, Ste 100 Harrisburg, PA 17110	$4,700.00
American Heart Association 1019 Mumma Road Wormleysburg, PA 17043	200.00
American Red Cross 1804 N. Sixth Street Harrisburg, PA 17110	5,000.00
Anti-Defamation League PO Box 96226 Washington, DC 20090-6226	8,500.00
Arthritis Foundation 3544 N. Progress Avenue, Ste 204 Harrisburg, PA 17110	500.00
Autism Society of America Greater Harrisburg Chapter PO Box 101 Enola, PA 17028	2,000.00
Beth El Congregation 8101 Park Heights Avenue Baltimore, MD 21208-1799	1,400.00
Beth El Temple 2637 N. Front St. Harrisburg, PA 17110	3,000.00
Big Brothers Big Sisters of Capital Region 1500 N. 2nd Street, Suite H Harrisburg, PA 17101	1,500.00
Chatham College Annual Fund Woodland Road Pittsburgh, PA 15232-2826	300.00
Children's Organ Transplant Association 2501 West COTA Drive Bloomington, IN 47403	775.00

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Chisuk Emuna Congregation PO Box 5507 Harrisburg, PA 17110	$6,330.00
Cultural Entrichment Fund PO Box 12084 Harrisburg, PA 17108-2084	2,500.00
Development Corporation of Israel 1866-A Reisterstown Road Baltimore, MD 21208	300.00
Gretna Theatre 4830 Londonderry Road Harrisburg, PA 17109	1,000.00
Habitat for Humanity of the Greater Harrisburg Area 900 S. Arlington Ave., Suite 122A Harrisburg, PA 17109	50,000.00
Hadassah Harrisburg Chapter 3432 Green Street Harrisburg, PA 17011	1,250.00
Harrisburg Bureau of Fire - Station Two 140 North 16th Street Harrisburg, PA 17103	125.00
Harrisburg Young Professionals PO Box 11851 Harrisburg, PA 17108	500.00
Hebrew Immigrant Aid Society World Headquarters 333 Seventh Avenue New York, NY 10001-5004	1,000.00
Hope & Heroes Children's Cancer Fund 161 Fort Washington Ave., IP-7 New York, NY 10032	500.00
Humane Society of Harrisburg 7790 Grayson Road Harrisburg, PA 17111	2,500.00

SCHWAB-RAINESS FOUNDATION

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PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Jake Gittlen Cancer Institute 4331 S. Victoria Way Harrisburg, PA 17112	$1,450.00
Jewish Community Center-Harrisburg 3301 N. Front Street Harrisburg, PA 17110	1,000.00
Jewish Comm Foundation of Greater Harrisburg 3301 N. Front Street Harrisburg, PA 17110	1,500.00
Jewish Fed. of Greater Harrisburg 3301 N. Front Street Harrisburg, PA 17110	19,600.00
Jewish Fed. Of South Palm Beach County 9901 Klein Blvd. Boca Raton, FL 33428-1788	6,000.00
Jewish Home of Greater Harrisburg 4000 Linglestown Road Harrisburg, PA 17112	100.00
Leukemia & Lymphoma Society 800 Corporate Circle, Ste 100 Harrisburg, PA 17110	500.00
National Alliance on Mental Illness 2149 N. Second Street Harrisburg, PA 17110	1,200.00
National Museum of American Jewish History 101 S. Independence Mall East Philadelphia, PA 19106	500.00
National Multiple Sclerosis Society Central Pennsylvania Chapter 2209 Forest Hills Drive #18 Harrisburg, PA 17112	2,500.00
Pinnacle Health Hospice 2645 North Third Street, Suite 300 Harrisburg, PA 17110-2037	20,000.00

SCHWAB-RAINESS FOUNDATION

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FORM 990-PF - 2010

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Pinnacle Health Foundation PO Box 8700 Harrisburg, PA 17105	$1,000.00
Rabbi David L. Silver Yeshiva Academy PO Box 5285 Harrisburg, PA 17110	60,000.00
Rejoice, Inc. 1800 State Street Harrisburg, PA 17103	405.00
Ronald McDonald House Charities 745 West Governor Road Hershey, PA 17033	440.00
Sarcoma Alliance 775 E. Blithedale #334 Mill Valley, CA 94941	600.00
Southern Poverty Law Center 400 Washington Ave Montgomery, AL 36104	1,000.00
Temple Ohev Sholom 2345 N. Front Street Harrisburg, PA 17110	500.00
The Associated Jewish Charities of Baltimore 101 W. Mount Royal Avenue Baltimore, MD 21201	2,000.00
University of Maryland College Park Foundation Inc. 2108 Mitchell Building College Park, MD 20742	25,000.00
University of Pennsylvania 3451 Walnut Street 601 Franklin Building Philadelphia, PA 19104	30,000.00
Walk to Cure Diabetes 100 Metropolitan Park Dr. #400 Liverpool, NY 13088	250.00

SCHWAB-RAINESS FOUNDATION

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PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
West Shore YMCA 410 Fallowfield Road Camp Hill, PA 17011	$400.00
WITF, Inc. 1982 Locust Lane Harrisburg, PA 17109	100.00
World Jewish Congress 501 Madison Avenue New York, NY 10022	1,000.00
	$270,925.00