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 , 2010, and ending ,

G Check all that apply
- [ ] Initial return
- [ ] Initial Return of a former public charity
- [ ] Final return
- [ ] Amended return
- [X] Address change
- [ ] Name change

KEN & CAROL SCHULTZ FOUNDATION
14835 E. SHEA BLVD, STE 103 PMB 627
FOUNTAIN HILLS, AZ 85268-5939

A Employer identification number: 26-3863383

B Telephone number (see the instructions): 480-363-7984

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
- [X] 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, column (c), line 16)* ► $ 1,120,851.

J Accounting method [X] 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 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 (att sch)	200,000.			
	2 Ck ► [ ] if the foundn is **not** req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	46,366.	46,366.	46,366.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	124,364.			
	b Gross sales price for all assets on line 6a 846,030.				
	7 Capital gain net income (from Part IV, line 2)		124,364.		
	8 Net short-term capital gain			21,873.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	370,730.	170,730.	68,239.	
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 sch) SEE ST 1	900.	450.		
	c Other prof fees (attach sch) SEE ST 2	12,734.	12,734.	12,734.	
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 3	2,413.	433.	433.	
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	16,047.	13,617.	13,167.	
	25 Contributions, gifts, grants paid PART XV	829,500.			829,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	845,547.	13,617.	13,167.	829,500.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-474,817.			
	b **Net investment income** (if negative, enter -0-)		157,113.		
	c **Adjusted net income** (if negative, enter -0-)			55,072.	

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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			
	2 Savings and temporary cash investments	138,656.	56,730.	56,730.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) STATEMENT 4	390,447.	251,700.	334,101.
	c Investments – corporate bonds (attach schedule) STATEMENT 5	745,552.	392,362.	431,903.
	11 Investments – land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) STATEMENT 6	174,760.	273,436.	297,735.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶ SEE STATEMENT 7)		382.	382.
	16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	1,449,415.	974,610.	1,120,851.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	1,449,415.	974,610.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	1,449,415.	974,610.	
	31 Total liabilities and net assets/fund balances (see the instructions)	1,449,415.	974,610.	

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	1,449,415.
2	Enter amount from Part I, line 27a	2	-474,817.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	12.
4	Add lines 1, 2, and 3	4	974,610.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	974,610.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	WELLS FARGO 2300 ST SALES	P	VARIOUS	VARIOUS
b	WELLS FARGO 2300 LT SALES	P	VARIOUS	VARIOUS
c	CAPITAL GAIN DISTRIBUTION	P	VARIOUS	VARIOUS
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	263,978.		242,105.	21,873.
b	580,964.		479,561.	101,403.
c	1,088.			1,088.
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than 0-) or Losses (from column (h))
a				21,873.
b				101,403.
c				1,088.
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	124,364.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	3	21,873.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	666,000.	1,803,623.	0.369257
2008	20,000.	165,039.	0.121183
2007			
2006			
2005			

2	**Total** of line 1, column (d)	2	0.490440
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	0.245220
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,353,210.
5	Multiply line 4 by line 3	5	331,834.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,571.
7	Add lines 5 and 6	7	333,405.
8	Enter qualifying distributions from Part XII, line 4	8	829,500.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter ________ (attach copy of letter if necessary – see instr.) b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► [X] 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, column (b)			1	1,571.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3 Add lines 1 and 2			3	1,571.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,571.
6 Credits/Payments.				
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	1,000.		
b Exempt foreign organizations – tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	971.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d			7	1,971.
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	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►			10	400.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ►	400.	Refunded ►	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see 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 ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	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?	4b	N/A	
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, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► AZ			
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)? *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 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 ► KEN & CAROL SCHULTZ Telephone no ► 480-363-7984
Located at ► 14835 E. SHEA BLVD, STE 103 PMB 627 FOUNTAIN ZIP + 4 ► 85268-5939

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here N/A ► ☐
and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			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 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
1 a	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 the instructions)?		1b	N/A	
	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? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	☐ Yes ☒ No			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see the instructions)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 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)*		3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? 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** No: 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? **7b**

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

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

(a) Name and address	**(b)** Title and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
KENNETH M. SCHULTZ PO BOX 675820 RANCHO SANTA FE, CA 92067	PRESIDENT 1.00	0.	0.	0.
CAROL S. SCHULTZ PO BOX 675820 RANCHO SANTA FE, CA 92067	VICE PRESIDE 1.00	0.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ►	0.

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	1,276,124.
b Average of monthly cash balances		1b	97,693.
c Fair market value of all other assets (see instructions)		1c	
d **Total** (add lines 1a, b, and c)		1d	1,373,817.
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	1,373,817.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	20,607.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	1,353,210.
6 **Minimum investment return.** Enter 5% of line 5		6	67,661.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6		1	67,661.
2a Tax on investment income for 2010 from Part VI, line 5	2a 1,571.		
b Income tax for 2010 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	1,571.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	66,090.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	66,090.
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	66,090.

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	829,500.
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	829,500.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,571.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	827,929.

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				66,090.
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only			0.	
b Total for prior years. 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008 20,000.				
e From 2009 666,000.				
f **Total** of lines 3a through e	686,000.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 829,500.				
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				66,090.
e *Remaining amount distributed out of corpus*	763,410.			
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:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,449,410.			
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 instructions			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) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	1,449,410.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008 20,000.				
d Excess from 2009 666,000.				
e Excess from 2010 763,410.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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			
	(a) 2010	**(b)** 2009	**(c)** 2008	**(d)** 2007	**(e) Total**
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* SEE STATEMENT 9				
Total			► **3a**	829,500.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (see the instructions)
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					
4 Dividends and interest from securities			14	46,366.	
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			14	124,364.	
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)				170,730.	

13 Total. Add line 12, columns (b), (d), and (e) **13** 170,730.

(See worksheet in line 13 instructions 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 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

▶ Kenneth Schultz | 07/15/11 | ▶ PRESIDENT

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if ☐ if self-employed	PTIN
JUDITH W. HAMILTON, CPA	Judith W. Hamilton	7.5.11		N/A

Firm's name ▶ HAMILTON THARP, LLP — Firm's EIN ▶ N/A

Firm's address ▶ 323 N PACIFIC COAST HWY 101, SOLANA BEACH, CA 92075 — Phone no 858-481-7702

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
KEN & CAROL SCHULTZ FOUNDATION	26-3863383

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 their 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	Employer identification number
KEN & CAROL SCHULTZ FOUNDATION	26-3863383

Part I **Contributors** (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	KEN & CAROL SCHULTZ PO BOX 675820 RANCHO SANTA FE, CA 92067	$ 200,000.	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)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization: KEN & CAROL SCHULTZ FOUNDATION

Employer identification number: 26-3863383

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
	N/A	$	

(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
		$	

Name of organization: KEN & CAROL SCHULTZ FOUNDATION

Employer identification number: 26-3863383

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 cols **(a)** through **(e)** and the following line entry

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **$1,000 or less** for the year (Enter this information once See instructions) ► $ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(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

(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

(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

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LATTIMER PC	$ 900.	$ 450.		
TOTAL	$ 900.	$ 450.	$ 0.	$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO INVST MGMT FEES	$ 12,734.	$ 12,734.	$ 12,734.	
TOTAL	$ 12,734.	$ 12,734.	$ 12,734.	$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CURRENT YEAR FEDERAL ESTIMATE	$ 1,000.			
FOREIGN TAX PAID	433.	$ 433.	$ 433.	
PRIOR YEAR FEDERAL TAX DUE	980.			
TOTAL	$ 2,413.	$ 433.	$ 433.	$ 0.

STATEMENT 4
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WELLS FARGO 2300	COST	$ 251,700.	$ 334,101.
	TOTAL	$ 251,700.	$ 334,101.

STATEMENT 5
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WELLS FARGO 2300	COST	$ 392,362.	$ 431,903.
	TOTAL	$ 392,362.	$ 431,903.

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

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER SECURITIES			
WELLS FARGO 2300	COST	$ 273,436.	$ 297,735.
	TOTAL	$ 273,436.	$ 297,735.

STATEMENT 7
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

		BOOK VALUE	FAIR MARKET VALUE
DIVIDENDS IN TRANSIT		$ 382.	$ 382.
	TOTAL	$ 382.	$ 382.

STATEMENT 8
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

NONDIVIDEND DISTRIBUTIONS		$ 12.
	TOTAL	$ 12.

STATEMENT 9
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
ST. FRANCIS ANIMAL SANCTUARY 25260 HIGHWAY 435 ABITA SPRINGS, LA 70420	NONE	EXEMPT	SUSTAINABILITY PLAN	$ 9,000.
MAYO CLINIC 13400 E. SHEA BLVD SCOTTSDALE, AZ 85259	NONE	EXEMPT	FRONTOTEMPORAL DEMENTIA RESEARCH AT MCF	125,000.
LOS ANGELES PHILHARMONIC ASSOCIATION 151 SOUTH GRAND AVENUE LOS ANGELES, CA 90012	NONE	EXEMPT	GENERAL OPERATING SUPPORT	50,000.
WHISPERING HOPE RANCH FOUNDATION 5333 N. 7TH STREET, SUITE C223 PHOENIX, AZ 85014	NONE	EXEMPT	GENERAL OPERATING SUPPORT	5,000.
HELEN WOODWARD ANIMAL CENTER PO BOX 64 RANCHO SANTA FE, CA 92067	NONE	EXEMPT	2010 P.E.T. PROGRAM GIFT	40,000.
HELEN WOODWARD ANIMAL CENTER PO BOX 64 RANCHO SANTA FE, CA 92067	NONE	EXEMPT	2010 ADOPTION PROGRAM TRANSFERS GIFTS	16,750.
ST. FRANCIS ANIMAL SANCTUARY 25260 HIGHWAY 435 ABITA SPRINGS, LA 70420	NONE	EXEMPT	SUSTAINABILITY PLAN	9,000.
HELEN WOODWARD ANIMAL CENTER PO BOX 64 RANCHO SANTA FE, CA 92067	NONE	EXEMPT	CAPITAL CAMPAIGN PLEDGE, SMALL ANIMAL VETERINARY HOSPITAL	125,000.
THE UCLA FOUNDATION 302 EAST MELNITZ HALL, BOX 951323 LOS ANGELES, CA 90095	NONE	EXEMPT	FILM & TELEVISION ARCHIVE WEB SITE REDESIGN	106,500.
HELEN WOODWARD ANIMAL CENTER PO BOX 64 RANCHO SANTA FE, CA 92067	NONE	EXEMPT	2010 SOLAR PROJECT GIFT	200,000.

STATEMENT 9 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
THE UCLA FOUNDATION 302 EAST MELNITZ HALL, BOX 951323 LOS ANGELES, CA 90095	NONE	EXEMPT	FILM & TELEVISION ARCHIVE HEARST NEWSREEL COLLECTION CONSERVATION	$ 53,250.
TONY HAWK FOUNDATION 1611-A S. MELROSE DRIVE #360 VISTA, CA 92081	NONE	EXEMPT	STAND UP FOR SKATEPARKS BEVERLY HILLS EVENT	10,000.
UNIVERSITY OF PITTSBURGH 4200 FIFTH AVE PITTSBURGH, PA 15260	NONE	EXEMPT	BENEDUM HALL TRANSFORMATION PLAN	20,000.
UNIVERITY OF PITTSBURGH PO BOX 7436 PITTSBURGH, PA 15213	NONE	EXEMPT	AMBROSE URBANIC FIELD	50,000.
TONY HAWK FOUNDATION 1611-A S. MELROSE DRIVE #360 VISTA, CA 92081	NONE	EXEMPT	SKATEPARK DEVELOPMENT	10,000.
			TOTAL	$ 829,500.

KEN & CAROL SCHULTZ FOUNDATION
FEIN 26-3863383
TAX YEAR 2010

WELLS FARGO

SCHULTZ, KEN AND CAROL FND - IMA

Forms 1099 for 2010

1099-B Proceeds From Broker and Barter Exchange Transactions (OMB No. 1545-0715) Copy B, For Recipient

The proceeds from each of the sales shown below in Box 2 are reported to the Internal Revenue Service on Forms 1099-B In addition, we report security description, cusip #, and units. We do not report your net gains and losses to the Internal Revenue Service An asterisk symbol (*) next to the tax cost indicates that the tax cost has been adjusted for the current year's return of capital

A schedule of your net gains and losses is shown below Please note that if you have sold an asset for which we do not have cost basis information, it is either shown separately in the section entitled Cost Not Available or it may appear with a zero tax cost Please review these carefully when preparing your return

Short term gains and losses

This category includes all assets held 12 months or less

Description (Box 7)	Cusip (Box 1b)	Units (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
ISHARES BARCLAYS AGGREGATE BOND FUI	464287226	1000	03/20/09	02/05/10	$104,550 67	$101,738 60	$2,812 07
HUSSMAN STRATEGIC GROWTH FUND #601	448108100	787 4	07/08/09	04/05/10	$10,000 00	$10,370 08	$-370 08
ISHARES IBOXX $ INV GR CORP BD FD	464287242	250	05/28/09	04/05/10	$26,120 56	$24,137 32	$1,983 24
ISHARES DOW JONES SELECT DIVIDEND FD	464287168	750	07/02/09	04/22/10	$35,639 40	$26 234 25	$9,405 15
ISHARES DOW JONES SELECT DIVIDEND FD	464287168	250	07/08/09	04/22/10	$11,879 80	$8,494 55	$3,385 25
TEMPLETON GLOBAL BOND FD-ADV #616	880208400	3787 88	05/18/09	05/18/10	$50,000 00	$45,037 88	$4 962 12
ISHARES MSCI EAFE VALUE	464288877	175	09/01/09	05/20/10	$7,520 78	$8,461 25	$-940 47
ISHARES MSCI EAFE	464287465	175	07/08/09	05/20/10	$8,266 89	$7,633 19	$633 70
GATEWAY FUND - Y #1986	367829884	194 63	04/29/10	10/25/10	$5,000 00	$5,013 62	$-13 62
DIAMOND HILL LONG-SHORT FD CL I #11	25264S833	311 33	04/29/10	10/25/10	$5,000 00	$4,984 44	$15 56
Total short term gain/loss. Report on Form 1040, Schedule D, line 1, Column d, e and f					$263,978 10	$242,105 18	$21 872 92

KEN & CAROL SCHULTZ FOUNDATION
FEIN 26-3863383
TAX YEAR 2010

WELLS FARGO

SCHULTZ, KEN AND CAROL FND - IMA

2010 Form 1099

Account Number 73272300

Long term gains and losses

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Units (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
ISHARES BARCLAYS TIPS BOND FUND	464287176	250	04/01/09	04/05/10	$25,628 37	$25,667 75	$-39 38
ISHARES IBOXX $ INV GR CORP BD FD	464287242	250	03/20/09	04/05/10	$26,120 56	$23,642 50	$2,478 06
ISHARES BARCLAYS TIPS BOND FUND	464287176	250	04/01/09	04/06/10	$25,739 56	$25,667 75	$71 81
ISHARES IBOXX $ INV GR CORP BD FD	464287242	250	03/20/09	04/06/10	$26,214 56	$23,642 50	$2,572 06
ISHARES BARCLAYS AGGREGATE BOND FUI	464287226	250	04/01/09	04/22/10	$26,128 35	$25,213 80	$914 55
ISHARES BARCLAYS TIPS BOND FUND	464287176	250	03/24/09	04/22/10	$26,254 55	$25,504 98	$749 57
ISHARES DOW JONES SELECT DIVIDEND FD	464287168	500	03/23/09	04/22/10	$23,759 60	$15,675 00	$8,084 60
ISHARES IBOXX $ INV GR CORP BD FD	464287242	500	03/20/09	04/22/10	$53,236 09	$47,285 00	$5,951 09
EATON VANCE FLOATING RATE FD-I #924	277911491	2834 47	04/01/09	05/18/10	$25,000 00	$18,820 86	$6,179 14
SPDR S & P 500 ETF TRUST	78462F103	500	07/02/09	07/21/10	$54,154 13	$45,113 90	$9,040 23
PRINCIPAL PREFERRED SEC-INS #4929	74253Q416	4995 01	07/02/09	09/17/10	$50,000 00	$38,811 19	$11,188 81
SPDR S & P 500 ETF TRUST	78462F103	250	07/08/09	09/20/10	$28,207 02	$21,804 98	$6,402 04
SPDR S & P 500 ETF TRUST	78462F103	250	03/24/09	09/20/10	$28,207 02	$20,354 98	$7,852 04
ISHARES BARCLAYS TIPS BOND FUND	464287176	100	03/24/09	10/25/10	$11,207 81	$10,102 48	$1,105 33
SPDR DJ WILSHIRE INTERNATIONAL REAL	78463X863	500	09/01/09	10/25/10	$20,231 15	$16,700 00	$3,531 15
ISHARES RUSSELL 2000	464287655	150	07/08/09	10/25/10	$10,621 71	$7,111 23	$3,510 48
ISHARES IBOXX $ INV GR CORP BD FD	464287242	100	04/01/09	10/25/10	$11,255 90	$9,341 00	$1 914 90
EATON VANCE FLOATING RATE FD-I #924	277911491	930 59	04/01/09	10/25/10	$8,235 72	$6,179 14	$2,056 58
EATON VANCE FLOATING RATE FD-I #924	277911491	1894 27	03/20/09	10/25/10	$16,764 28	$12,312 73	$4,451 55
HUSSMAN STRATEGIC GROWTH FUND #601	448108100	765 11	07/08/09	10/25/10	$10,000 00	$10,076 51	$-76 51
PRINCIPAL PREFERRED SEC-INS #4929	74253Q416	496 52	07/02/09	10/25/10	$5,000 00	$3,857 99	$1,142 01
ISHARES TR MSCI EMERGING MARKETS	464287234	500	08/14/09	10/28/10	$22,999 11	$17,814 85	$5,184 26
ISHARES TR MSCI EMERGING MARKETS	464287234	250	07/08/09	10/28/10	$11,499 56	$7,582 05	$3,917 51
ISHARES TR MSCI EMERGING MARKETS	464287234	500	03/23/09	10/28/10	$22,999 11	$12,520 00	$10,479 11
ISHARES TR MSCI EMERGING MARKETS	464287234	250	09/01/09	10/28/10	$11,499 56	$8,757 50	$2,742 06
Total long term gain/loss:	Report on Form 1040, Schedule D, line 8, Column d, e, and f				$580,983 72	$479,560 67	$101,403 05

KEN & CAROL SCHULTZ FOUNDATION
FEIN 26-3863383
TAX YEAR 2010

Account Statement For:
SCHULTZ, KEN AND CAROL FND - IMA

Period Covered December 1, 2010 - December 31, 2010

Account Number 73272300

ASSET DETAIL

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Cash & Equivalents							
CASH							
PRINCIPAL			$154 86	$154 86	$0 00		
Total Cash			**$154.86**	**$154.86**	**$0.00**		
MONEY MARKET							
FIDELITY INSTITUTIONAL MONEY MARKET PRIME MONEY MARKET PORTFOLIO #2014	56,574 840		$56,574 84	$56,574 84	$0.00	$133 15	0.23%
Total Money Market			**$56,574.84**	**$56,574.84**	**$0.00**	**$133.15**	**0.24%**
Total Cash & Equivalents			**$56,729.70**	**$56,729.70**	**$0.00**	**$133.15**	**0.23%**

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Fixed Income							
DOMESTIC MUTUAL FUNDS							
ARTIO GLOBAL HIGH INCOME-I #1525 CUSIP: 04315J860	4,739 336	$10 190	$48,293.83	$50,000 00	- $1,706 17	$3,857 82	7 99%
EATON VANCE FLOATING RATE FUND-CLASS I #924 CUSIP: 277911491	5,798 042	8 960	51,950 46	37,687 27	14,263 19	2,023.52	3 89
ISHARES BARCLAYS AGGREGATE BOND FUND CUSIP: 464287226	750 000	105 750	79,312.50	75,616 80	3,695 70	2,766 00	3 49
ISHARES BARCLAYS TIPS BOND FUND CUSIP: 464287176	650 000	107.520	69,888 00	64,880 58	5,007 42	1,750 45	2.50
ISHARES IBOXX $ INVESTMENT GRADE CORPORATE BOND FUND CUSIP: 464287242	400 000	108.440	43,376 00	37,364 00	6,012 00	2,112 40	4 87

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Account Statement For:
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Account Number 73272300

ASSET DETAIL *(continued)*

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Fixed Income *(continued)*							
DOMESTIC MUTUAL FUNDS *(continued)*							
PIMCO TOTAL RETURN FUND INSTITUTIONAL SHARES #35 CUSIP: 693390700	1,423 423	10.850	15,444.14	15,800 00	- 355.86	501 04	3 24
PRINCIPAL PREFERRED SECURITIES FUND CLASS INS #4929 CUSIP: 74253Q416	4,173.451	9.870	41,191.96	32,330 82	8,861.14	2,654.31	6 44
VANGUARD BD INDEX FD INC SHORT TERM BD ETF CUSIP: 921937827	600 000	80 460	48,276 00	48,720 00	- 444 00	1,077 60	2 23
Total Domestic Mutual Funds			**$397,732.89**	**$362,399.47**	**$35,333.42**	**$16,743.14**	**4.21%**
INTERNATIONAL MUTUAL FUNDS							
TEMPLETON GLOBAL BOND FUND - ADVISOR CLASS #616 CUSIP: 880208400	2,519 943	$13.560	$34,170 43	$29,962 12	$4,208 31	$1,544 73	4.52%
Total International Mutual Funds			**$34,170.43**	**$29,962.12**	**$4,208.31**	**$1,544.73**	**4.52%**
Total Fixed Income			**$431,903.32**	**$392,361.59**	**$39,541.73**	**$18,287.87**	

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Period Covered December 1, 2010 - December 31, 2010

Account Number 73272300

ASSET DETAIL *(continued)*

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Equities							
DOMESTIC MUTUAL FUNDS							
ISHARES RUSSELL 2000 SYMBOL: IWM CUSIP: 464287655	500 000	$78 240	$39,120 00	$20,700 00	$18,420 00	$447 00	1 14%
ISHARES RUSSELL 2000 VALUE INDEX FUND SYMBOL: IWN CUSIP. 464287630	750 000	71 090	53,317 50	39,606 20	13,711 30	868.50	1 63
ISHARES TR S & P MIDCAP 400 INDEX FD SYMBOL. IJH CUSIP: 464287507	500.000	90 690	45,345 00	32,142.43	13,202 57	478 50	1 05
SPDR S & P 500 ETF TRUST SYMBOL: SPY CUSIP: 78462F103	500 000	125 750	62,875 00	40,494.58	22,380 42	1,133 50	1 80
Total Domestic Mutual Funds			**$200,657.50**	**$132,943.21**	**$67,714.29**	**$2,927.50**	**1.46%**
INTERNATIONAL MUTUAL FUNDS							
ISHARES MSCI EAFE SYMBOL: EFA CUSIP: 464287465	575 000	$58 220	$33,476 50	$22,435 36	$11,041 14	$803 28	2 40%
ISHARES MSCI EAFE VALUE SYMBOL EFV CUSIP: 464288877	575 000	50 770	29,192 75	27,510 97	1,681 78	944 15	3 23
VANGUARD EMERGING MARKETS ETF SYMBOL: VWO CUSIP 922042858	1,470 000	48 146	70,774 62	68,810 41	1,964 21	1,198 05	1 69
Total International Mutual Funds			**$133,443.87**	**$118,756.74**	**$14,687.13**	**$2,945.48**	**2.21%**
Total Equities			**$334,101.37**	**$251,699.95**	**$82,401.42**	**$5,872.98**	**1.76%**

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Account Statement For:
SCHULTZ, KEN AND CAROL FND - IMA

Period Covered December 1, 2010 - December 31, 2010

Account Number 73272300

ASSET DETAIL *(continued)*

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Complementary Strategies							
OTHER							
DIAMOND HILL LONG-SHORT FUND CLASS I #11 SYMBOL: DHLSX CUSIP: 25264S833	1,250 191	$16 420	$20,528 14	$20,015 56	$512.58	$0.00	0 00%
GATEWAY FUND - Y #1986 SYMBOL: GTEYX CUSIP: 367829884	775 869	26.060	20,219 15	19,986.38	232 77	355.35	1 76
HUSSMAN STRATEGIC GROWTH FUND #601 SYMBOL HSGFX CUSIP: 448108100	4,177 159	12.290	51,337 28	54,553 41	- 3,216 13	71 01	0 14
MERGER FD SH BEN INT SYMBOL: MERFX CUSIP· 589509108	1,585 289	15 780	25,015 86	25,000.00	15 86	0 00	0 00
Total Other			**$117,100.43**	**$119,555.35**	**- $2,454.92**	**$426.36**	**0.36%**
Total Complementary Strategies			**$117,100.43**	**$119,555.35**	**- $2,454.92**	**$426.36**	**0.36%**

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Account Statement For:
SCHULTZ, KEN AND CAROL FND - IMA

Period Covered December 1, 2010 - December 31, 2010

Account Number 73272300

ASSET DETAIL *(continued)*

Asset Description	Quantity	Price	Market Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income	Current Yield
Real Assets							
REAL ASSET FUNDS							
CB RICHARD ELLIS REALTY TRUST	5,434 783	$10 000	$54,347 83	$50,000 00	$4,347 83	$3,125 00	5 75%
ISHARES TR COHEN & STEERS REALTY MAJORS INDEX FUND SYMBOL ICF CUSIP 464287564	350 000	65 720	23,002 00	20,821 08	2,180 92	667 45	2 90
PIMCO COMMODITY REAL RETURN STRATEGY FUND-CLASS I #45 SYMBOL: PCRIX CUSIP. 722005667	6,927.348	9.290	64,355 06	50,000 00	14,355.06	5,763.55	8 96
SPDR DJ WILSHIRE INTERNATIONAL REAL ESTATE ETF SYMBOL RWX CUSIP. 78463X863	1,000 000	38 930	38,930 00	33,060 00	5,870 00	2,353 00	6 04
Total Real Asset Funds			**$180,634.89**	**$153,881.08**	**$26,753.81**	**$11,909.00**	**6.59%**
Total Real Assets			**$180,634.89**	**$153,881.08**	**$26,753.81**	**$11,909.00**	**6.59%**

	Account Value as of 12/31/10	Cost Basis	Unrealized Gain/Loss	Estimated Annual Income
TOTAL ASSETS	**$1,120,469.71**	**$974,227.67**	**$146,242.04**	**$36,629.36**