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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 ☐ Address change ☐ Name change

MCGRAW FOUNDATION
653 LANDWEHR ROAD
NORTHBROOK, IL 60062

A Employer identification number: 36-2490000

B Telephone number (see the instructions): 847-291-9810

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, column (c), line 16) ► $ 9,912,812.

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 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)				
	2 Ck ► ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	102.	102.		
	4 Dividends and interest from securities	253,445.	262,286.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	272,476.			
	b Gross sales price for all assets on line 6a 3,991,109.				
	7 Capital gain net income (from Part IV, line 2)		272,476.		
	8 Net short-term capital gain			272,476.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) SEE STATEMENT 1	5,524.	5,524.		
	12 **Total.** Add lines 1 through 11	531,547.	540,388.	272,476.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	131,250.	32,813.		98,438.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	4,150.	1,038.		3,113.
	c Other prof fees (attach sch) SEE ST 3	53,873.	53,873.		
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 4	14,655.	2,571.		7,714.
	19 Depreciation (attach sch) and depletion	83.			
	20 Occupancy				
	21 Travel, conferences, and meetings	1,638.	410.		1,228.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 5	37,092.	9,274.		27,819.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	242,741.	99,979.		138,312.
	25 Contributions, gifts, grants paid PART XV.	490,725.			711,395.
	26 **Total expenses and disbursements.** Add lines 24 and 25	733,466.	99,979.	0.	849,707.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-201,919.			
	b Net investment income (if negative, enter -0-)		440,409.		
	C Adjusted net income (if negative, enter -0-)			272,476.	

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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	96,772.	54,017.	54,017.
	2 Savings and temporary cash investments			
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less. allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less. allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S. and state government obligations (attach schedule)	2,081,580.	1,794,249.	1,794,249.
	b Investments – corporate stock (attach schedule)	5,809,886.	5,717,432.	5,717,432.
	c Investments – corporate bonds (attach schedule)	1,424,086.	1,067,309.	1,067,309.
	11 Investments – land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)	128,305.	1,101,706.	1,101,706.
	14 Land, buildings, and equipment basis ► 14,260.			
	Less accumulated depreciation (attach schedule) SEE STMT 6 ► 14,177.	248.	83.	83.
	15 Other assets (describe ► SEE STATEMENT 7)	162,146.	178,016.	178,016.
	16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	9,703,023.	9,912,812.	9,912,812.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable	801,680.	524,010.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ► SEE STATEMENT 8)		2,151.	
	23 **Total liabilities** (add lines 17 through 22)	801,680.	526,161.	
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	8,901,343.	9,386,651.	
	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)	8,901,343.	9,386,651.	
	31 **Total liabilities and net assets/fund balances** (see the instructions)	9,703,023.	9,912,812.	

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	8,901,343.
2	Enter amount from Part I, line 27a	2	-201,919.
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 9	3	687,227.
4	Add lines 1, 2, and 3	4	9,386,651.
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	9,386,651.

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	S-T GAINS SEE ATTACHED STMT (ACCT ENDING 2854)	P	VARIOUS	VARIOUS
b	L-T GAINS SEE ATTACHED STMT (ACCT ENDING 2854)	P	VARIOUS	VARIOUS
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,071,895.		1,041,634.	30,261.
b	2,919,214.		2,676,999.	242,215.
c				
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				30,261.
b				242,215.
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	272,476.
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	272,476.

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	966,262.	8,974,552.	0.107667
2008	1,278,549.	10,764,599.	0.118773
2007	917,975.	13,006,062.	0.070581
2006	953,066.	13,029,717.	0.073146
2005	738,270.	13,136,233.	0.056201

2	**Total** of line 1, column (d)	2	0.426368
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	0.085274
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	9,607,824.
5	Multiply line 4 by line 3	5	819,298.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,404.
7	Add lines 5 and 6	7	823,702.
8	Enter qualifying distributions from Part XII, line 4	8	849,707.

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		1	4,404.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	4,404.
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	4,404.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010 .	6a 2,219.		
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	2,219.
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	2,185.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►		10	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ►	Refunded ►	11	

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) ► N/A			
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 ► MAXMCGRAWFOUNDATION.ORG

14 The books are in care of ► JAMES F. QUILTER Telephone no. ► 847-291-9810

Located at ► 653 LANDWEHR ROAD NORTHBROOK IL ZIP + 4 ► 60062

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)*

			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 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**		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
SEE ATTACHED SCHEDULE	0	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	8,994,979.
b	Average of monthly cash balances	1b	759,157.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	9,754,136.
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	9,754,136.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	146,312.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	9,607,824.
6	**Minimum investment return.** Enter 5% of line 5	6	480,391.

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	480,391.
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 4,404.		
b	Income tax for 2010. (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	4,404.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	475,987.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	475,987.
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	475,987.

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	849,707.
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	849,707.
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	4,404.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	845,303.

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				475,987.
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 — 89,494.				
b From 2006 — 305,632.				
c From 2007 — 270,829.				
d From 2008 — 747,567.				
e From 2009 — 521,096.				
f **Total** of lines 3a through e	1,934,618.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 849,707.				
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				475,987.
e Remaining amount distributed out of corpus	373,720.			
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	2,308,338.			
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)	89,494.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	2,218,844.			
10 Analysis of line 9:				
a Excess from 2006 — 305,632.				
b Excess from 2007 — 270,829.				
c Excess from 2008 — 747,567.				
d Excess from 2009 — 521,096.				
e Excess from 2010 — 373,720.				

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

SEE STATEMENT 10

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED SCHEDULE ,				711,395.
Total			► **3a**	711,395.
b *Approved for future payment*				
SEE ATTACHED SCHEDULE ,				545,000.
Total			► **3b**	545,000.

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 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	102.	
4 Dividends and interest from securities			14	253,445.	
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	272,476.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a LOWER WACKER SMALL CAP IN			14	5,524.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				531,547.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 531,547.

(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

Gordon LaBounty — 5-12-2011 — Vice-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
RALPH PICKER		5-10-2011	X	N/A
Firm's name	PICKER & ASSOCIATES, CPA'S		Firm's EIN	N/A
Firm's address	1130 W LAKE COOK RD., STE. 130 BUFFALO GROVE, IL 60089		Phone no	(847) 541-4000

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
LOWER WACKER SMALL CAP IN	$ 5,524.	$ 5,524.	
TOTAL	$ 5,524.	$ 5,524.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	$ 4,150.	$ 1,038.		$ 3,113.
TOTAL	$ 4,150.	$ 1,038.	$ 0.	$ 3,113.

STATEMENT 3
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
ADVISORY & CUSTODIAL	$ 53,873.	$ 53,873.		
TOTAL	$ 53,873.	$ 53,873.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE	$ 4,370.			
PAYROLL	10,285.	$ 2,571.		$ 7,714.
TOTAL	$ 14,655.	$ 2,571.	$ 0.	$ 7,714.

STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DUES AND SUBSCRIPTIONS	$ 584.	$ 146.		$ 438.
INSURANCE	8,132.	2,033.		6,099.
OFFICE SUPPLIES	7,234.	1,809.		5,425.
RENTAL EXPENSES	17,952.	4,488.		13,464.
TELEPHONE	3,190.	798.		2,393.
TOTAL	$ 37,092.	$ 9,274.	$ 0.	$ 27,819.

STATEMENT 6
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
MACHINERY AND EQUIPMENT	$ 14,260.	$ 14,177.	$ 83.	$ 83.
TOTAL	$ 14,260.	$ 14,177.	$ 83.	$ 83.

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

	BOOK VALUE	FAIR MARKET VALUE
INTEREST AND DIVIDENDS RECEIVABLE	$ 31,983.	$ 31,983.
LEASE DEPOSIT	1,024.	1,024.
LIMITED PARTNERSHIP INTEREST	142,964.	142,964.
PREPAID INSURANCE	2,045.	2,045.
TOTAL	$ 178,016.	$ 178,016.

STATEMENT 8
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

TOTAL $ 2,151.

STATEMENT 9
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

UNREALIZED GAINS/(LOSSES) RECORDED FOR BOOK PURPOSES	$ 687,227.
TOTAL	$ 687,227.

STATEMENT 10
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	JAMES F. QUILTER
CARE OF:	MCGRAW FOUNDATION
STREET ADDRESS:	
CITY, STATE, ZIP CODE:	NORTHBROOK, IL 60062
TELEPHONE:	847-291-9810
FORM AND CONTENT:	APPLICABLE GUIDELINES ATTACHED
SUBMISSION DEADLINES:	PREFERRABLY BETWEEN DECEMBER 1 AND FEBRUARY 1
RESTRICTIONS ON AWARDS:	APPLICABLE GUIDELINES ATTACHED

McGraw Foundation

653 Landwehr Road
Northbrook, IL 60062-2309
(847) 291-9810 • Fax: (847) 291-9811
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
Email: mcgrawfoundation@att.net

khr 2/15/10
(all pages)

OFFICERS
Bernard B Rinella
President
James F. Quilter
Vice President
Executive Director
Treasurer
Secretary
Gordon LaBounty
Vice President

DIRECTORS
J Bradley Davis
Scott M Elrod
Dennis W Fitzgerald
Jerry D. Jones
William W. Mauritz
Carol E Moorman
Catherine B Nelson
James F Quilter
Bernard B Rinella

McGRAW FOUNDATION

GRANT APPLICATION PROCEDURES

Proposal letters are considered appropriate applications for grants. Submissions should contain the purpose and background of the organization.

Applicants should submit as much detail as necessary to explain and justify the need for funding. Particular attention will be paid to the reasonableness of administrative expense ratios and fund raising costs. Organizations must be willing to have results of a grant audited.

The following information, indexed on a cover sheet, must accompany the proposal:

1) Amount requested
2) Specific purpose of funding
3) Specific location (s) of project/service
4) Details of other sources and amounts of funding, including foundations
5) List of current board members
6) Budgetary data (for the project, if the request is for a specific project)
7) Proof of federal (not state) tax-exempt status (i. e., current 501 (c) (3) letter) **
8) Federal tax identification number
9) Most recent audited financial statements

Grant requests must be mailed (not emailed or faxed) to the following address:

Mr. James F. Quilter, Vice President
McGraw Foundation
653 Landwehr Road
Northbrook, Illinois 60062-2309

February 1st is the deadline for applications to be considered in that year's budget. In order for pertinent information to be considered current, we suggest that applications be mailed between December 1st and February 1st. Last minute deliveries are unnecessary. A few days grace period will be allowed.

Applicants will be notified as soon as possible if funding is not available to meet their request. Successful applicants will be notified of grant approval usually after July 1, following the annual meeting of the Foundation Board of Directors.

** **See page 3 for more on this**

McGRAW FOUNDATION

GRANT GUIDELINES

1. The Foundation's primary areas of interest are the fields of higher education, particularly in scientific and environmental fields, educational programs at all levels, and human services. Occasionally, grants are made in other areas such as health, medical research and cultural. Grants generally are limited to organizations located in the greater Chicago area.

2. Grants may be made for general operating support, specific projects, and occasionally, capital programs. Grants will be made on a single year basis. Grants made for specific projects require grantees to render accountability by means of periodic reports.

3. The Foundation will make annual grants on a recurring basis to sustain operations of some organizations. However, long-term dependency situations are not considered desirable.

4. Grant requests are suggested to be within a range of $5,000 (or less) to $25,000. Grant recipients and amounts will be determined by several criteria. Naturally, availability of funds is a key factor.

5. The Foundation will occasionally make large grants ($50,000 or more) to support unusually promising efforts in any of its areas of interest. Innovative research, special education, and/or other activities will be considered if the Foundation's support would assist an effort or a project in making a significant impact benefiting mankind.

6. The use of the matching grant, or "challenge" approach is encouraged where feasible.

7. The Foundation will consider "seed money" situations where a relatively small contribution will assist a fledgling organization off the ground. In such cases, the grantee must have a plan to sustain itself on a continuing basis.

8. The Foundation will support only organizations qualified as tax-exempt, (i.e., 501© (3) organizations), under the regulations of the United States Internal Revenue Service. **

9. The Foundation does not make grants directly to individuals.

10. The Foundation does not make grants for purposes that are strictly religious in nature.

11. The Foundation does not normally support theater groups.

12. The Foundation does not normally support public or private high schools.

** **See page 3**

McGRAW FOUNDATION

GRANT GUIDELINES

** Effective August 17, 2006, the Pension Protection Act of 2006 (H.R. 4) became law.

Among other things, this law imposes certain obligations on private foundations (such as McGraw Foundation) considering grants to "Supporting Organizations."

If your organization is a "Public Charity" under code section 501 (c) (3), it will have received an additional designation of 509 (a) (1), 509 (a) (2), or 509 (a) (3). We request that any grant application made to McGraw Foundation include proof of the appropriate Sec. 509 designation. This Sec. 509 designation is usually stated on the same federal Internal Revenue Service letter indicating your 501 (c) (3) status.

509 (a) (3) denotes a supporting organization affected by the new law. Before McGraw Foundation can proceed on an application from a 501 (c) (3) organization with a 509 (a) (3) designation, more information will be needed. If you have any doubt as to the nature and category of your organization's tax-exempt status, and current documentation thereof, please consult your professional tax advisor.

McGRAW FOUNDATION
CURRENT DIRECTORS AND OFFICERS
JUNE 2010 – JUNE 2011

DIRECTORS	COMPENSATION	HRS
J. Bradley Davis Middleburg, Virginia	none	0
Scott M. Elrod Belvedere, California	none	0
Dennis W. Fitzgerald Honolulu, Hawaii	none	0
Jerry D. Jones Geneva, Illinois	none	0
William W. Mauritz Rye, New York	none	0
Carol E. Moorman, Chair Investment Committee Barrington, Illinois	none	0
Catherine B. Nelson Potomac, Maryland	none	0
James F. Quilter Northbrook, Illinois	none	0
Bernard B. Rinella, President, Chair Grants Committee-of-the-Whole Winnetka, Illinois	none	0

OFFICERS	EMPLOYEE	COMP. &	HRS
Bernard B. Rinella, President Winnetka, Illinois	no	none	1
James F. Quilter, Vice President, Secretary, Treasurer Northbrook, Illinois	yes	$61,500	30
Gordon LaBounty, Vice President Hoffman Estates, Illinois	yes	$36,750	30
Diane D. Miller, Assistant Secretary Evanston, Illinois	yes	$33,000	30

McGRAW FOUNDATION

2010 FORM 990 PF #36-2490000

PART XV SUPPLEMENTARY INFORMATION

3. a. Grants and Contributions Paid During Year
through December 31, 2010
(No Relationship)

Attachment Page Number	Category	Amount
2	Education – Higher	$362,500
3-5	Education – Primary, High School, Special	$115,000
6-7	Human Services	$ 85,000
8	Civic	$ 5,000
8	Health & Medical Research	$ 15,000
9	Cultural	$ 10,000
9	Environmental	$ 35,000
10-14	Matching Grants	$ 81,945
15	Miscellaneous Grants	$ 1,950

2010 PAID TOTAL: $711,395

REGULAR GRANTS (p. 1)

HIGHER EDUCATION

Organization	Individual	Status	Date	Amount
Associated Colleges of Illinois 20 N. Wacker Drive, Suite 1456 Chicago, IL 60606	N	501 C (3)	7/27/10	$80,000
McGraw Foundation Emergency Aid			$ 40,000	
McGraw Foundation Scholarship Program:			$ 40,000	
Regents of the University of Michigan - Ross School of Business 701 Tappan Street Ann Arbor, MI 48109	N	501 C (3)	11/17/10	$250,000
Harper College Educational Foundation 1200 West Algonquin Road Palatine, IL 60067	N	501 C (3)	7/27/10	$7,500
Northwestern University Kellogg: Center for Nonprofit Management 2001 N. Sheridan Road Evanston, IL 60208	N	501 C (3)	7/27/10	$5,000
United Negro College Fund 105 W. Adams Street, Suite 2400 Chicago, IL 60603	N	501 C (3)	7/27/10	$5,000
Teach for America - Chicago 300 W. Adams Street, Suite 1000 Chicago, IL 60606	N	501 C (3)	7/27/10	$5,000
Colgate University 13 Oak Drive Hamilton, NY 13346	N	501 C (3)	7/27/10	$5,000
Williams College PO Box 38 Williamstown, MA 01267	N	501 C (3)	7/27/10	$5,000
		2010 Total:		**$362,500**

McGRAW FOUNDATION
INCOME TAX - 2010

REGULAR GRANTS (p. 2)

EDUCATION - ELEMENTARY, HIGH SCHOOL, AND SPECIAL (p. 1)

Organization	Individual	Status	Date	Amount
America Scores Chicago 222 S. Morgan St., #4C Chicago, IL 60607	N	501 C (3)	8/03/10	$5,000
Association House of Chicago 1116 N. Kedzie Ave. Chicago, IL 60651	N	501 C (3)	8/03/10	$5,000
Big Shoulders Fund 309 W. Washington, Suite 550 Chicago, IL 60606	N	501 C (3)	8/03/10	$7,500
Cabrini-Green Tutoring 2145 N. Halsted Chicago, IL 60614	N	501 C (3)	8/03/10	$5,000
Chicagoland Lutheran Educational Foundation 861 South Church Road Bensenville, IL 60106	N	501 C (3)	8/03/10	$5,000
Communities in Schools of Chicago 815 W. Van Buren, Suite 300 Chicago, IL 60607	N	501 C (3)	8/03/10	$5,000
Junior Achievement of Chicago 651 W. Washington Blvd., Suite 404 Chicago, IL 60661	N	501 C (3)	8/03/10	$7,500
Northwest Cultural Council PO Box 690 Barrington, IL 60011	N	501 C (3)	8/03/10	$5,000
Reading in Motion 65 E. Wacker Place, Suite 1800 Chicago, IL 60601	N	501 C (3)	8/03/10	$5,000
Working in the Schools (WITS) 27 E. Monroe, Suite 1400 Chicago, IL 60603	N	501 C (3)	8/03/10	$5,000

2010 Total: $115,000

REGULAR GRANTS (p. 3)
Paid January 1 - December 31, 2010

EDUCATION - ELEMENTARY, HIGH SCHOOL, AND SPECIAL (p. 2)

Organization	Individual	Status	Date	Amount
F.A.I.T.H. Program Schools:				
St. Bartholomew School	N	501 © (3)	02/08/10	$1,500
4941 W. Patterson			10/26/10	$1,500
Chicago, IL 60641				
St. Catherine-St. Lucy School	N	501 © (3)	03/03/10	$1,500
27 W. Washington			10/26/10	$1,500
Oak Park, IL 60302-4308				
St. Constance School	N	501 © (3)	02/08/10	$2,750
5841 W. Street			10/26/10	$2,750
Chicago, IL 60630				
St. Ferdinand School	N	501 © (3)	03/08/10	$6,500
3131 N. Mason Ave.			10/26/10	$6,500
Chicago, IL 60634				
St. Frances of Rome School	N	501 © (3)	03/03/10	$1,250
1401 S. Austin Blvd.			10/26/10	$1,250
Cicero, IL 60804				
St. Giles	N	501 © (3)	10/27/10	$750
1030 N. Linden Avenue			10/27/10	$750
Oak Park, IL 60302-1399				
St. Helen School	N	501 © (3)	03/03/10	$1,500
2347 W. Augusta Blvd.			10/27/10	$1,500
Chicago, IL 60622				
St. Hyacinth Catholic School	N	501 © (3)	02/22/10	$4,550
3640 W. Wolfram			10/27/10	$4,550
Chicago, IL 60618				
St. John De La Salle School	N	501 © (3)	03/03/10	$2,250
10212 S. Vernon Avenue			10/27/10	$2,250
Chicago, IL 60628				

McGRAW FOUNDATION
INCOME TAX - 2010

REGULAR GRANTS (p. 4)
Paid January 1 - December 31, 2010

EDUCATION: ELEMENTARY, HIGH SCHOOL, AND SPECIAL

Organization	Individual	Status	Date	Amount
F.A.I.T.H. (continued):				
St. Ladislaus School 3330 N. Lockwood Ave. Chicago, IL 60641	N	501 © (3)	03/03/10 10/27/10	$3,900 $3,900
St. Margaret of Scotland School 9833 S. Throop Street Chicago, IL 60643	N	501 © (3)	02/26/10 11/10/10	$550 $550
St. Stanislaus Kostka School 1255 N. Noble Street Chicago, IL 60622	N	501 © (3)	03/03/10 10/27/10	$1,500 $1,500
Transfiguration Catholic School 316 West Mill Street Wauconda, IL 60084	N	501 © (3)	03/12/10 10/27/10	$1,500 $1,500

2010 F.A.I.T.H. - Elementary Education Total: $60,000

McGRAW FOUNDATION
INCOME TAX - 2010

REGULAR GRANTS (p. 5)

HUMAN SERVICES (p. 1)

Organization	Individual	Status	Date	Amount
Allendale Association PO Box 1088 Lake Villa, IL 60046	N	501 C (3)	8/04/10	$7,500
Barrington Area Council on Aging 6000 Garlands Lane, Suite 100 Barrington, IL 60010	N	501 C (3)	8/04/10	$2,500
Big Brothers Big Sisters of Metropolitan Chicago 560 W. Lake Street, Fifth Floor Chicago, IL 60661	N	501 C (3)	8/04/10	$2,500
Catholic Charities 721 N. La Salle St. Chicago, IL 60654	N	501 C (3)	8/04/10	$5,000
Chicago Children's Advocacy Center 1240 S. Damen Ave. Chicago, IL 60608	N	501 C (3)	8/04/10	$5,000
Erie Neighborhood House 1701 W. Superior Chicago, IL 60622	N	501 C (3)	8/04/10	$5,000
Franciscan Outreach Association 1645 W. LeMoyne St. Chicago, IL 60622	N	501 C (3)	8/05/10	$5,000
Guild for the Blind 180 N. Michigan Ave., Suite 700 Chicago, IL 60601	N	501 C (3)	8/05/10	$5,000
The Harbour 1440 Renaissance Drive, Suite 240 Park Ridge, IL 60068	N	501 C (3)	8/05/10	$2,500
Howard Area Community Center 7648 N. Paulina St. Chicago, IL 60626	N	501 C (3)	8/05/10	$5,000

McGRAW FOUNDATION
INCOME TAX - 2010

REGULAR GRANTS (p. 6)

HUMAN SERVICES (p. 2)

Organization	Individual	Status	Date	Amount
Juvenile Protective Assn. 1707 N. Halsted Chicago, IL 60614	N	501 C (3)	8/05/10	$5,000
Lydia Home Association 4300 W. Irving Park Road Chicago, IL 60641	N	501 C (3)	8/05/10	$5,000
Northern Illinois Food Bank 600 Industrial Drive St. Charles, IL 60174	N	501 C (3)	8/06/10	$5,000
Northwestern University Settlement Association 1400 Augusta Blvd. Chicago, IL 60642	N	501 C (3)	8/06/10	$5,000
North Shore Senior Center 161 Northfield Road Northfield, IL 60093	N	501 C (3)	8/06/10	$5,000
Rainbows 2100 Golf Road, Suite 370 Rolling Meadows, IL 60008	N	501 C (3)	8/06/10	$5,000
Union League Boys/Girls Clubs 65 W. Jackson Blvd. Chicago, IL 60604	N	501 C (3)	8/06/10	$5,000
Women in Need Growing Stronger PO Box 95615 Rolling Meadows, IL 60095	N	501 C (3)	8/06/10	$5,000

2010 HUMAN SERVICES Total: $85,000

McGRAW FOUNDATION
INCOME TAX - 2010

REGULAR GRANTS (p. 7)

CIVIC

Organization	Individual	Status	Date	Amount
Citizens Against Government Waste 1301 Pennsylvania Ave., N.W. Suite 1075 Washington, DC 20004	N	501 C (3)	7/22/10	$5,000

2010 CIVIC Total: $5,000

HEALTH & MEDICAL

Organization	Individual	Status	Date	Amount
Hospice Foundation of Northeastern IL 410 S. Hager Avenue Barrington, IL 60010	N	501 C (3)	7/23/10	$7,500
Midwest Palliative & Hospice CareCenter 2050 Claire Court Glenview, IL 60025	N	501 C (3)	7/23/10	$7,500

2010 HEALTH & MEDICAL Total: $15,000

REGULAR GRANTS (p. 8)

CULTURAL

Organization	Individual	Status	Date	Amount
Adler Planetarium 1300 S. Lake Shore Drive Chicago, IL 60605	N	501 C (3)	7/22/10	$5,000
Field Museum 1400 S. Lake Shore Drive Chicago, IL 60605	N	501 C (3)	7/22/10	$5,000

2010 Total: $10,000

ENVIRONMENTAL

Organization	Individual	Status	Date	Amount
Max McGraw Wildlife Foundation PO Box 9 Dundee, IL 60118	N	501 C (3)	8/10/10	$25,000
Naples Botanical Garden 4820 Bayshore Drive Naples, FL 34112	N	501 C (3)	7/22/10	$5,000
Openlands 25 E. Washington Street, Suite 1650 Chicago, IL 60602	N	501 C (3)	7/22/10	$5,000

2010 Total: $35,000

McGRAW FOUNDATION - 2010 MATCHING GRANTS (p. 1)

Recipient Name/Address	Individ.	Status	Date		Amount
Piedmont Community Foundation PO Box 402 Middleburg, VA 20117	N	501 © (3)	02/19/10 04/14/10 07/01/10 09/01/10 10/25/10	$ $ $ $ $	5,000 5,000 5,000 5,000 5,000
Olympic Club Foundation PO Box 280608 San Francisco, CA 94128	N	501 © (3)	12/29/10	$	1,000
Max McGraw Wildlife Foundation PO Box 9 Dundee, IL 60118	N	501 © (3)	12/29/10	$	15,000
Allendale Association PO Box 1088 Lake Villa, IL 60046	N	501 © (3)	12/29/10	$	1,000
University of Michigan - Ross School of Business 701 Tappan Street Ann Arbor, MI 48109	N	501 © (3)	12/29/10	$	1,000
American Sports Institute PO Box 1837 Mill Valley, CA 94942	N	501 © (3)	12/29/10	$	500
Colgate University 13 Oak Drive Hamilton, NY 13346-1398	N	501 © (3)	12/29/10	$	1,000
California Academy of Sciences 55 Concourse Drive Golden Gate Park San Francisco, CA 94118	N	501 © (3)	12/29/10	$	500
Pacific Aviation Museum - Pearl Harbor Hangar 37, Ford Island 319 Lexington Blvd. Honolulu, HI 96818	N	501 © (3)	06/30/10	$	5,000

McGRAW FOUNDATION - 2010 MATCHING GRANTS (p. 2)

Recipient Name/Address	Individ.	Status	Date	Amount
Holy Family Catholic Academy Tuition Assistance 2515 W. Palatine Road Inverness, IL 60067	N	501 © (3)	04/20/10 09/27/10	$ 1,000 $ 150
Northbrook Rotary Charitable Projects Foundation PO Box 283 Northbrook, IL 60065-0283	N	501 © (3)	09/28/10	$ 100
WhyHunger 505 8th Avenue, Suite 2100 New York, NY 10018	N	501 © (3)	11/23/10	$ 200
Rye YMCA 21 Locust Ave. Rye, NY 10580	N	501 © (3)	11/10/10	$ 100
Port Chester Carver Center 400 Westchester Ave. Port Chester, NY 10573	N	501 © (3)	11/10/10	$ 100
Rye Free Reading Room 1061 Boston Post Road Rye, NY 10580	N	501 © (3)	11/10/10	$ 100
American Cancer Society Ovarian Cancer Research 820 Davis St. Evanston, IL 60201	N	501 © (3)	3/15/2010	$ 50
WFMT Radio Fine Arts Circle 1099 Payshpere Circle Chicago, IL 60674-0010	N	501 © (3)	3/15/2010	$ 45
Alzheimer's Association 225 N. Michigan Avenue, 17th Floor Chicago, IL 60601	N	501 © (3)	3/24/2010	$ 25

McGRAW FOUNDATION - 2010 MATCHING GRANTS (p. 3)

Recipient Name/Address	Individ.	Status	Date	Amount
Chicago Botanic Garden 1000 Lake Cook Road Glencoe, IL 60022	N	501 © (3)	04/30/10	$ 100
Evanston Public Library Friends PO Box 8001 Evanston, IL 60204	N	501 © (3)	12/15/10	$ 50
Guadalupe Center of Immokalee 509 Hope Circle Immokalee, FL 34142	N	501 © (3)	01/05/10 12/10/10	$ 250 $ 300
Naples Zoo at Caribbean Gardens 1590 Goodlette-Frank Road Naples, FL 34102-5260	N	501 © (3)	01/21/10	$ 150
Conservancy of Southwest Florida 1450 Merrihue Drive Naples, FL 34102-3498	N	501 © (3)	01/25/10	$ 50
Hospice Foundation of Northern Illinois 410 S. Hager Avenue Barrington, IL 60010	N	501 © (3)	02/26/10 06/02/10	$ 600 $ 300
Hospice & Palliative Care of NE IL (new name/address) 405 Lake Zurich Road Barrington, IL 60010	N	501 © (3)	09/15/10 11/08/10	$ 125 $ 750
Nature Conservancy - Florida Chapter c/o Mr. Jonathan Hamill 280 4th Ave. North Naples, FL 34102	N	501 © (3)	02/26/10	$ 100
St. Jude's Children's Research Hospital c/o Daphne Moorman Monroy 247 Yorkshire Drive Fox River Grove, IL 60021	N	501 © (3)	3/17/10	$ 25

McGRAW FOUNDATION - 2010 MATCHING GRANTS (p. 4)

Recipient Name/Address	Individ.	Status	Date		Amount
Lurie Cancer Center Office of Medical Development Betsy Bramsen Fund 700 N. Lake Shore Drive Rubloff Building, 9th Floor Chicago, IL 60611	N	501 © (3)	4/9/10	$	250
Max McGraw Wildlife Foundation PO Box 9 Dundee, IL 60118	N	501 © (3)	4/9/10 12/21/10	$ $	250 100
Youth Conservation Alliance 847 S. Randall Road; Suite 101 Elgin, IL 60123	N	501 © (3)	8/18/10 11/12/10	$ $	50 100
Home of the Sparrow PO Box 3393 Barrington, IL 60010	N	501 © (3)	8/18/10	$	75
Naples Botanical Garden 4820 Bayshore Drive Naples, FL 34112	N	501 © (3)	12/02/10	$	250
Northbrook Rotary Charitable Projects Foundation PO Box 283 Northbrook, IL 60065	N	501 © (3)	4/28/2010 9/28/2010 10/13/2010		300 200 200
Northfield Township Food Pantry 3801 W. Lake Ave. Glenview, IL 60026	N	501 © (3)	12/10/2010		50
Little Brothers-Friends of Elderly 355 N. Ashland Ave. Chicago, IL 60607	N	501 © (3)	12/10/2010		50
Loyola University Chicago Gift Processing Department 4336 Carol Stream, IL 60122	N	501 © (3)	12/10/2010		100

McGRAW FOUNDATION - 2010 MATCHING GRANTS (p. 5)

Recipient Name/Address	Individ.	Status	Date	Amount
WTTW PO Box 806456 Chicago, IL 60680	N	501 © (3)	12/10/2010	50
The Salvation Army PO Box 4121 Carol Stream, IL 60197-4121	N	501 © (3)	12/13/2010	50
Mobile C.A.R.E. Foundation 3247 W. 26th Street, Suite 2 Chicago, IL 60623	N	501 © (3)	12/21/2010	100
St. Ignatius College Prep 1076 W. Roosevelt Road Chicago, IL 60608	N	501 © (3)	12/21/2010	100
University of Michigan Office of Gift and Records Bernard B and Gloria Rinella Scholarship Fund 3003 S. State Street Ann Arbor, MI 48109	N	501 © (3)	10/1/2010	5,000
DePaul University Bernard B and Gloria Rinella Endowed Scholarship 1 E. Jackson Blvd. Chicago, IL 60604	N	501 © (3)	11/16/2010	$ 15,000
Midwest Palliative & Hospice CareCenter 2050 Claire Court Glenview, IL 60025	N	501 © (3)	12/15/2010	5,000
		TOTAL:		**$ 81,945**

MCGRAW FOUNDATION

MISCELLANEOUS GRANTS – 2010

Northbrook Rotary Charitable Projects Foundation Robert S. Friedman Vocational Scholarship Fund PO Box 283 Northbrook, IL 60065-0283	N	501 © (3)	04/28/10	$400
Northfield Township Food Pantry	N	501 © (3)		
Spring Program			06/02/10	$250
Winter Program 3801 W. Lake Avenue Glenview, IL 60026			12/02/10	$250
Little Angels Center for Exceptional Care 1435 Summit Street Elgin, IL 60120	N	501 © (3)	09/20/10	$350
Northbrook Rotary Charitable Projects Foundation PO Box 283 Northbrook, IL 60065-0283	N	501 © (3)	09/28/10	$200
Association of Small Foundations PO Box 247 Winooksi, VT 05404	N	501 © (3)	10/06/10	$500
			Total:	**$1,950**

McGRAW FOUNDATION

2010 FORM 990 PF #36-2490000

PART XV – SUPPLEMENTARY INFORMATION

3. b. Grants and Contributions Approved For Future Payment (p. 1)
(No Relationship)

To Complete This Program Year 2010 – 2011

Recipient	Purpose	Amount
F.A.I.T.H. Program	Providing private elementary & high school education to needy inner-city youth – balance of 2010 grants	$30,000
	Total:	**$30,000**

McGRAW FOUNDATION

2010 FORM 990 PF #36-2490000

PART XV – SUPPLEMENTARY INFORMATION

3. b. Grants and Contributions Approved For Future Payment (p. 2)
(No Relationship)

Future Program Years

Recipient	Purpose	Amount
University of Michigan Ross School of Business	Erb Institute: Graduate School 3rd year scholarships: • 2011 $250,000 • 2012 $250,000	$500,000
Hospice of Northeastern Illinois	Capital Campaign: 16 bed inpatient hospice home: • 2011 $7,500 • 2012 $7,500	$ 15,000

Total: $515,000

1099-B Proceeds From Broker Transactions (OMB No. 1545-0715)

This section reports your proceeds from each of your sales during the year which are reported to the Internal Revenue Service The proceeds from each of your sales are reported to the IRS on Forms 1099-B (Box 2), not the aggregate total of your sales. You must report the proceeds of each sale on your tax return. We must report all transactions on a trade-date basis which is the date shown in the sale date column (Box 1a). The proceeds reported in Box 2 are less commissions, transfer charges, and premiums.

We are not required to nor do we report gains or losses on these sales to the IRS We have adjusted tax costs for amortization of premium paid for the acquisition of municipal bonds through date of sale and for non-taxable dividends. Wash sales are reported with tax cost equal to proceeds. Disallowed losses from wash sales have been added to the tax cost of the repurchased securities. An asterisk symbol (*) next to the tax cost indicates that the tax cost has been adjusted for the current year's return of capital. However, we have not made adjustments to the cost basis of all partnerships.

Short term transactions

This category includes all assets held 12 months or less.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
BEAR STEARNS COS INC SR GLOBAL NT	073902RU4	15000	07/22/09	01/19/10	$17,259 60	$16,480 65	$778 95
BEAR STEARNS COS INC SR GLOBAL NT	073902RU4	20000	07/22/09	01/25/10	$22,972 40	$21,974 20	$998 20
FED NATL MTG ASSN	31371NXC4	807 94	02/12/09	01/31/10	$807 94	$832 05	$-24 11
FED NATL MTG ASSN	31402CYK2	697 37	05/06/09	01/31/10	$697 37	$720 14	$-22.77
UNITED STATES TREAS NTS	912828CT5	35000	11/19/09	02/19/10	$38,106 13	$38,502 85	$-396 72
UNITED STATES TREAS NTS	912828CT5	15000	09/08/09	02/19/10	$16,331 20	$16,338 33	$-7 13
FED NATL MTG ASSN	31402CYK2	515 49	05/06/09	02/28/10	$515 49	$532 32	$-16 83
UNITED STATES TREAS BD	912810QC5	10000	12/28/09	03/03/10	$9,862 46	$9,693 01	$169 45
UNITED STATES TREAS NT	912828JB7	25000	01/13/10	03/03/10	$26,617 10	$26 481 53	$135 57
UNITED STATES TREAS NT	912828JB7	10000	01/14/10	03/03/10	$10,646 84	$10,591 44	$55 40
MUNICIPAL ELEC AUTH GA BUILD	626207YF5	5000	03/04/10	03/08/10	$5,055 15	$5 000 00	$55 15
RENAISSANCE HOLDINGS LTD	G7496G103	100	09/10/09	03/08/10	$5 701 42	$5 619 97	$81 45
ISHARES INC MSCI PACIFIC EX-JAPAN	464286665	100	10/08/09	03/08/10	$4,217 44	$4 193 14	$24 30
ORACLE CORPORATION	68389X105	200	03/27/09	03/08/10	$4,930 93	$3 616 92	$1,314 01
TEXAS ST BUILD	882722KF7	10000	08/19/09	03/08/10	$9,942 00	$10 000 00	$-58 00
YUM BRANDS INC	988498101	200	04/16/09	03/08/10	$7 094 90	$6 289 30	$805 60
QUEST DIAGNOSTICS INC	74834L AN0	5000	09/10/09	03/08/10	$5 646 65	$5 644 60	$2 05

Short term transactions

This category includes all assets held 12 months or less

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
DISCOVERY COMMUNICATIONS INC	25470F104	100	12/01/09	03/08/10	$3,167 45	$3,239 31	$-71 86
ALBERTO-CULVER CO NEW	013078100	100	05/13/09	03/08/10	$2,741 46	$2,241 22	$500 24
CHESAPEAKE ENERGY CORP	165167107	100	03/23/09	03/08/10	$2,552 46	$1,935 92	$616 54
UNITED STATES TREAS NT	912828MP2	15000	02/19/10	03/18/10	$14,939 01	$14,804 94	$134 07
ALBERTO-CULVER CO NEW	013078100	1100	05/13/09	03/22/10	$29,715 56	$24,653 42	$5,062 14
FED NATL MTG ASSN	31402CYK2	596 47	05/06/09	03/31/10	$596 47	$614 87	$-18 40
UNITED STATES TREAS BDS	912810PX0	5000	08/07/09	04/13/10	$4,884 16	$4,922 09	$-37 93
FEDERAL NATL MTG ASSN UNSECD	31359MJH7	50000	05/06/09	04/15/10	$52,945 00	$54,748 00	$-1,803 00
QUEST DIAGNOSTICS INC	74834LAN0	10000	09/10/09	04/21/10	$11,298 30	$11,289 20	$9 10
QUEST DIAGNOSTICS INC	74834LAN0	10000	09/10/09	04/22/10	$11,310 00	$11,289 20	$20 80
UNITED STATES TREAS BD	912810QC5	10000	12/28/09	04/30/10	$9,909 73	$9,693 01	$216 72
FED NATL MTG ASSN	31402CYK2	678 43	05/06/09	04/30/10	$678 43	$698 95	$-20 52
QUALCOMM INC	747525103	25	05/08/09	05/03/10	$964 66	$1,042 29	$-77 63
SOUTHERN COPPER CORP	84265VAE5	5000	04/13/10	05/07/10	$4,755 50	$4,962 50	$-207 00
UNITED STATES TREAS NT	912828JH4	30000	04/15/10	05/18/10	$31,876 05	$30,916 53	$959 52
THERMO FISHER SCIENTIFIC INC	883556AT9	5000	04/20/10	05/20/10	$5,252 15	$4,998 00	$254 15
BURLINGTON NORTHN SANTA FE CORP	12189TBC7	25000	11/03/09	05/21/10	$25,972 50	$25,207 50	$765 00
BURLINGTON NORTHN SANTA FE CORP	12189TBC7	15000	09/21/09	05/21/10	$15 583 50	$14,973 75	$609 75
KRAFT FOODS INC SR NTS	50075NAU8	5000	01/19/10	05/21/10	$5,584 55	$5,357 80	$226 75
NEW YORK N Y CITY MUN WTR FIN	64972FL20	5000	03/10/10	05/25/10	$5 570 95	$5,000 00	$570 95
U S TREASURY BONDS	912810FG8	15000	12/02/09	06/17/10	$17,585 68	$17,192 64	$393 04
GOVERNMENT NATL MTG ASSN II	38374TZQ0	287 13	06/17/10	06/30/10	$287 13	$301 49	$-14 36
FEDERAL NATL MTG ASSN	31398RUL7	294 6	06/29/10	06/30/10	$294 60	$311 72	$-17 12
UNITED STATES TREAS NT	912828HH4	20000	05/17/10	07/13/10	$21,761 64	$21,156 34	$605 30
UNITED STATES TREAS NT	912828HH4	5000	04/15/10	07/13/10	$5,440 41	$5,152 75	$287 66
GOVERNMENT NATL MTG ASSN II	38374TZQ0	326 13	06/17/10	07/31/10	$326 13	$342 44	$-16 31
FEDERAL NATL MTG ASSN	31398RUL7	315 12	06/29/10	07/31/10	$315 12	$333 44	$-18 32

Short term transactions

This category includes all assets held 12 months or less

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
UNITED STATES TREAS NT	912828JH4	25000	05/21/10	08/03/10	$27,818 26	$26,935 65	$882 61
UNITED STATES TREAS NT	912828LP3	25000	05/06/10	08/03/10	$26,412 01	$25,215 92	$1,196 09
UNITED STATES TREAS NT	912828LP3	35000	05/27/10	08/03/10	$36,976 80	$35,597 60	$1,379.20
UNITED STATES TREAS NT	912828LX6	20000	12/28/09	08/10/10	$20,343 68	$19,911 00	$432.68
UNITED STATES TREAS NT	912828MP2	20000	05/06/10	08/23/10	$21,790.62	$20,289 07	$1,501 55
UNITED STATES TREAS NT	912828MP2	15000	02/19/10	08/23/10	$16,342 97	$14,804 94	$1,538 03
UNITED STATES TREAS NT	912828MP2	15000	04/12/10	08/23/10	$16,342 97	$14,741 08	$1,601 89
FEDERAL HOME LN MTG CORP	312933AP9	1275 78	08/03/10	08/31/10	$1,275 78	$1,305 28	$-29.50
FEDERAL NATL MTG ASSN	31398RUL7	335 51	06/29/10	08/31/10	$335 51	$355 01	$-19 50
FEDERAL NATL MTG ASSN	31418WPG9	994 66	08/10/10	08/31/10	$994 66	$1,023 88	$-29.22
GOVERNMENT NATL MTG ASSN II	38374TZQ0	467 72	06/17/10	08/31/10	$467 72	$491 11	$-23 39
FEDERAL NATL MTG ASSN	31419CCR2	231 54	08/13/10	08/31/10	$231 54	$231 54	$0 00
UNITED STATES TREAS NT	912828JH4	10000	05/21/10	09/07/10	$11,293 32	$10,774 26	$519 06
RENAISSANCE HOLDINGS LTD	G7496G103	270	10/20/09	09/09/10	$15,539 97	$15,109 97	$430 00
RENAISSANCE HOLDINGS LTD	G7496G103	625	09/10/09	09/09/10	$35,972 14	$35,124 81	$847.33
UNITED STATES TREAS BD	912810QE1	10000	05/26/10	09/20/10	$11,285 55	$10,857 81	$427 74
UNITED STATES TREAS NT	912828MP2	5000	09/01/10	09/22/10	$5,470 68	$5,454.12	$16 56
UNITED STATES TREAS NT	912828MP2	25000	06/02/10	09/22/10	$27,353 42	$25,560 65	$1,792 77
UNITED STATES TREAS NT	912828MP2	5000	05/20/10	09/22/10	$5,470 68	$5,165 63	$305 05
UNITED STATES TREAS NT	912828MP2	10000	05/21/10	09/22/10	$10,941 37	$10,330 47	$610 90
CLIFFS NAT RES INC	18683KAA9	5000	03/10/10	09/23/10	$5,465 20	$4,971 35	$493 85
CLIFFS NAT RES INC	18683KAA9	5000	05/07/10	09/23/10	$5,465 20	$5,177 70	$287 50
UNITED STATES TREAS NT	912828ND8	25000	05/21/10	09/23/10	$27,080 95	$25,644 53	$1,436 42
FEDERAL HOME LN MTG CORP	312933AP9	2411 25	08/03/10	09/30/10	$2,411 25	$2,465 71	$-54 46
GOVERNMENT NATL MTG ASSN II	38374TZQ0	469 87	06/17/10	09/30/10	$469 87	$493 36	$-23 49
FEDERAL NATL MTG ASSN	31419CCR2	318 7	08/13/10	09/30/10	$318 70	$329 56	$-10 86
FEDERAL NATL MTG ASSN	31418WPG9	270 08	08/10/10	09/30/10	$270 08	$270 08	$0 00

U.S. TRUST

Bank of America Private Wealth Management

MCGRAW FOUNDATION RIF 9091

2010 Tax Information Letter

Account Number 011016482854

Short term transactions

This category includes all assets held 12 months or less

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATL MTG ASSN	31398RUL7	355 76	06/29/10	09/30/10	$355 76	$376 44	$-20 68
SARA LEE CORP	803111AR4	10000	08/30/10	10/08/10	$10,067 70	$9,993 90	$73 80
UNITED STATES TREAS BD	912810QE1	5000	05/26/10	10/19/10	$5,626 76	$5,428 91	$197 85
UNITED STATES TREAS NT	912828JH4	15000	05/21/10	10/22/10	$17,083 53	$16,161 38	$922 15
SHELL INTL FIN B V	822582AM4	15000	03/18/10	10/22/10	$16,611 15	$14,929 20	$1,681 95
SHELL INTL FIN B V	822582AM4	10000	03/29/10	10/22/10	$11,074 10	$9,834 00	$1,240 10
PEPSICO INC	713448BS6	5000	10/19/10	10/22/10	$5,012 50	$4,990 55	$21 95
U S TREASURY BONDS	912810FG8	25000	12/02/09	10/29/10	$30,592 67	$28,654 40	$1,938 27
UNITED STATES TREAS NT	912828ND8	15000	05/21/10	10/29/10	$16 170 06	$15,386 72	$783 34
UNITED STATES TREAS NT	912828ND8	10000	08/25/10	10/29/10	$10,780 04	$10,848 83	$-68 79
GOVERNMENT NATL MTG ASSN II	38374TZQ0	493 94	06/17/10	10/31/10	$493 94	$518 64	$-24 70
FEDERAL NATL MTG ASSN	31398RUL7	375 86	06/29/10	10/31/10	$375 86	$397 71	$-21 85
FEDERAL HOME LN MTG CORP	312933AP9	3126 46	08/03/10	10/31/10	$3,126 46	$3,195 99	$-69 53
FEDERAL NATL MTG ASSN	31418WPG9	1239 3	08/10/10	10/31/10	$1,239 30	$1,274 16	$-34 86
FEDERAL NATL MTG ASSN	31419CCR2	657 36	08/13/10	10/31/10	$657 36	$679 75	$-22 39
UNITED STATES TREAS BD	912810QE1	5000	07/20/10	11/10/10	$5,333 19	$5,333 19	$0 00
UNITED STATES TREAS BD	912810QE1	15000	05/26/10	11/10/10	$15,999 55	$15,999 55	$0 00
UNITED STATES TREAS BD	912810QE1	5000	10/29/10	11/10/10	$5,333 18	$5,524 24	$-191 06
INTERSTATE PWR & LT CO	461070AJ3	10000	08/23/10	11/15/10	$9,812 90	$9,992 50	$-179 60
UNION PAC CORP NT	907818CP1	3000	04/05/10	11/15/10	$3 224 58	$3,274 74	$-50 16
REGIONS BK BIRMINGHAM AL	7591EAAB9	35000	12/01/09	11/17/10	$36 062 25	$36,632 75	$-570 50
UNION PAC CORP NT	907818CP1	5000	04/05/10	11/19/10	$5 370 80	$5,457 90	$-87 10
ADOBE SYS INC	00724FAB7	20000	01/25/10	11/23/10	$21 243 80	$19,877 40	$1,366 40
FEDERAL NATL MTG ASSN	31398RUL7	395 79	06/29/10	11/30/10	$395 79	$418 80	$-23 01
FEDERAL HOME LN MTG CORP	312933AP9	4237 63	08/03/10	11/30/10	$4 237 63	$4,330 34	$-92 71
FEDERAL NATL MTG ASSN	31419CCR2	1707 17	08/13/10	11/30/10	$1 707 17	$1,761 84	$-54 67
FEDERAL NATL MTG ASSN	31419GQ56	87 96	10/22/10	11/30/10	$87 96	$87 96	$0 00

Short term transactions

This category includes all assets held 12 months or less.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
GOVERNMENT NATL MTG ASSN II	38374TZQ0	442.07	06/17/10	11/30/10	$442 07	$464 17	$-22.10
FEDERAL NATL MTG ASSN	31418WPG9	1753 02	08/10/10	11/30/10	$1,753 02	$1,801 48	$-48.46
TRANSOCEAN LTD	H8817H100	280	12/28/09	12/28/10	$19,143 28	$23,714 09	$-4,570.81
FEDERAL HOME LN MTG CORP	312933AP9	2520 72	08/03/10	01/18/11	$2,520.72	$2,574 92	$-54.20
FEDERAL NATL MTG ASSN	31419GQ56	92 85	10/22/10	01/25/11	$92.85	$92 85	$0 00
FEDERAL NATL MTG ASSN	31418WPG9	939 8	08/10/10	01/25/11	$939 80	$965 31	$-25.51
FEDERAL NATL MTG ASSN	31419CCR2	2072 89	08/13/10	01/25/11	$2,072 89	$2,137 98	$-65.09
Total short term gain/loss from sales:	Report on Form 1040, Schedule D, line 1, Column d, e and f				$1,071,895.14	$1,041,634 45	$30,260.69

TO 990-PF PG.3,
PART IV, LINE 1a.

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
VIRGINIA ELEC & PWR CO SR NTS	927804FD1	25000	04/21/08	01/13/10	$27,382 50	$25,515 00	$1,867.50
VIRGINIA ELEC & PWR CO SR NTS	927804FD1	10000	04/21/08	01/14/10	$10,958 00	$10,206 00	$752.00
DEERE JOHN CAP CORP MEDIUM TERM	24422EPM5	50000	11/02/06	01/15/10	$50,000 00	$50,000 00	$0.00
GOVT NATL MTG ASSN CMO	38373Y6W9	615 71	01/22/08	01/19/10	$615 71	$615 71	$0 00
CME GROUP INC	12572Q105	58	03/18/08	01/27/10	$17,115 99	$27,089 85	$-9,973 86
MARRIOTT INTL INC NEW CL A	571903202	1060	11/08/05	01/27/10	$28,444 84	$32,108 33	$-3,663.49
FED NATL MTG ASSN	31402JV61	28670 9	07/15/03	01/27/10	$29,867 01	$29,867 01	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	1909 02	05/18/07	01/31/10	$1,909 02	$1,909 02	$0.00
FED NATL MTG ASSN	31402RAD1	1147 3	04/12/07	01/31/10	$1,147 30	$1,147 30	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	1206 79	02/20/08	01/31/10	$1,206 79	$1,206 79	$0 00
FED NATL MTG ASSN	31414RWL5	2153 43	03/14/08	01/31/10	$2,153 43	$2,198 85	$-45 42
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1167 32	05/24/07	01/31/10	$1,167 32	$1 177 53	$-10 21
GOVT NATL MTG ASSN	36290RT94	534 07	07/24/03	01/31/10	$534 07	$534 07	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
GOVT NATL MTG ASSN CMO	38373Y6W9	618 65	01/22/08	01/31/10	$618 65	$618 65	$0 00
FED HOME LN MTG CORP	3128M11K5	1779 59	05/17/07	01/31/10	$1,779 59	$1,779 59	$0 00
FED HOME LN MTG CORP	3128M45J8	415 85	09/07/07	01/31/10	$415 85	$415 85	$0 00
FED HOME LN MTG CORP	3128MBUB1	717 88	05/29/08	01/31/10	$717 88	$736 28	$-18 40
FED NATL MTG ASSN	31371IL36	3 33	06/07/00	01/31/10	$3 33	$3 33	$0 00
FED NATL MTG ASSN	31371K4D0	889 84	02/24/05	01/31/10	$889 84	$889 84	$0 00
FED NATL MTG ASSN	31371KXR7	551 47	08/16/07	01/31/10	$551 47	$551 47	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1443 99	07/28/03	01/31/10	$1,443 99	$1,466 78	$-22 79
FEDERAL NATIONAL MORTGAGE	31402Q4B4	593 62	03/16/07	01/31/10	$593 62	$593 62	$0 00
FEDERAL NATIONAL MORTGAGE	31402DJS0	1302 85	05/03/07	01/31/10	$1,302 85	$1,302 85	$0 00
FED NATL MTG ASSN	31391Y6J1	630 5	04/16/03	01/31/10	$630 50	$646 90	$-16 40
FED NATL MTG ASSN	31385JRN0	936 61	08/15/07	01/31/10	$936 61	$936 61	$0 00
FED NATL MTG ASSN	31384ASC3	13 56	10/19/99	01/31/10	$13 56	$13 56	$0 00
FED NATL MTG ASSN	31371LAC3	714 08	08/06/03	01/31/10	$714 08	$714 08	$0 00
FED NATL MTG ASSN	31371LE39	829 56	05/15/07	01/31/10	$829 56	$829 56	$0 00
FED NATL MTG ASSN	31374T2L2	117 08	07/18/03	01/31/10	$117 08	$117 08	$0 00
UNITED STATES TREAS NTS	912828JE1	20037 4	10/06/08	02/19/10	$20,150 82	$18,621 24	$1,529 58
FED NATL MTG ASSN	31371LAC3	620 67	08/06/03	02/28/10	$620 67	$620 67	$0 00
FED NATL MTG ASSN	31374T2L2	159 67	07/18/03	02/28/10	$159 67	$159 67	$0 00
FED NATL MTG ASSN	31384ASC3	13 65	10/19/99	02/28/10	$13 65	$13 65	$0 00
FED NATL MTG ASSN	31385JRN0	854 27	08/15/07	02/28/10	$854 27	$854 27	$0 00
FED NATL MTG ASSN	31391Y6J1	551 6	04/16/03	02/28/10	$551 60	$565 95	$-14.35
FEDERAL NATIONAL MORTGAGE	31402DJS0	1335 44	05/03/07	02/28/10	$1,335 44	$1,335 44	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	684 24	03/16/07	02/28/10	$684 24	$684 24	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	1719 89	05/18/07	02/28/10	$1,719 89	$1 719 89	$0 00

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31402RAD1	1449 79	04/12/07	02/28/10	$1,449 79	$1 449 79	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	1051 62	02/20/08	02/28/10	$1,051 62	$1,051 62	$0 00
FED NATL MTG ASSN	31414RWL5	2226 32	03/14/08	02/28/10	$2,226 32	$2,273 28	$-46 96
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1248 89	05/24/07	02/28/10	$1,248 89	$1,259 82	$-10 93
GOVT NATL MTG ASSN	36290RT94	395 1	07/24/03	02/28/10	$395 10	$395 10	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	621 6	01/22/08	02/28/10	$621 60	$621 60	$0.00
FED HOME LN MTG CORP	3128M1TK5	3319 66	05/17/07	02/28/10	$3,319.66	$3,319 66	$0 00
FED HOME LN MTG CORP	3128M45J8	5130 51	09/07/07	02/28/10	$5,130 51	$5,240 34	$-109 83
FED HOME LN MTG CORP	3128MBUB1	1648 46	05/29/08	02/28/10	$1,648 46	$1,690 70	$-42 24
FED NATL MTG ASSN	31371JL36	3 63	06/07/00	02/28/10	$3 63	$3 63	$0 00
FED NATL MTG ASSN	31371K4D0	910 98	02/24/05	02/28/10	$910 98	$910 98	$0 00
FED NATL MTG ASSN	31371KXR7	467 44	08/16/07	02/28/10	$467 44	$467 44	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1391 01	07/28/03	02/28/10	$1,391 01	$1,412 96	$-21 95
FED NATL MTG ASSN	31371LE39	713 54	05/15/07	02/28/10	$713 54	$713 54	$0 00
FED NATL MTG ASSN	31371NXC4	554 22	02/12/09	02/28/10	$554 22	$570 76	$-16 54
FEDERAL NATL MTG ASSN NOTES	31359M4D2	5000	06/09/08	03/02/10	$5,523 60	$5,100 06	$423 54
FEDERAL NATL MTG ASSN NOTES	31359M4D2	5000	05/08/08	03/02/10	$5,523 60	$5,239 54	$284 06
EXPRESS SCRIPTS INC	302182100	100	05/09/05	03/08/10	$9,803 37	$2,310 29	$7,493 08
GENERAL ELECTRIC CO	369604103	200	08/03/99	03/08/10	$3,246 95	$7,247 00	$-4,000 05
ITT INDS INC IND	450911102	100	10/24/06	03/08/10	$5,294 43	$5 433 34	$-138 91
ILLINOIS TOOL WORKS INC	452308109	100	11/24/99	03/08/10	$4,668 44	$3,366 50	$1,301 94
INTERNATIONAL BUSINESS MACHINES	459200101	100	05 15/02	03/08/10	$12,646 33	$8 499 15	$4,147 18
ISHARES TR MSCI EAFE INDEX FD	464287465	500	08/08/07	03/08/10	$27 482 15	$40,216 45	$-12,734 30
JOHNSON AND JOHNSON	478160104	200	07/02/03	03/08/10	$12,844 83	$10 556 00	$2,288 83
LOWES COMPANIES INC	548661107	200	05/07/08	03/08/10	$4 794 93	$5 082 58	$-287 65

U.S. TRUST

Bank of America Private Wealth Management

MCGRAW FOUNDATION RIF 9091

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
MARRIOTT INTL INC NEW CL A	571903202	80	11/08/05	03/08/10	$2,229 17	$2,423 27	$-194 10
MICROSOFT CORP	594918104	150	11/16/01	03/08/10	$4 289 19	$4,289 19	$0 00
NESTLE S A ADR REG	641069406	200	06/02/04	03/08/10	$9,872 87	$5,267 17	$4,605 70
NORTHERN TRUST CORP	665859104	100	10/13/04	03/08/10	$5 485 43	$3,978 00	$1,507 43
PEPSICO INC	713448108	100	10/21/04	03/08/10	$6,411 41	$4,902 00	$1,509 41
PERRIGO CO	714290103	200	08/06/08	03/08/10	$10,002 87	$7,343 22	$2,659 65
PROCTER & GAMBLE CO	742718109	100	07/24/03	03/08/10	$6,313 66	$4,436 00	$1,877 66
QUALCOMM INC	747525103	100	12/17/08	03/08/10	$3,880 70	$3,501 67	$379 03
SCHLUMBERGER LTD	806857108	100	01/28/05	03/08/10	$6,444 66	$3,341 34	$3,103 32
TARGET CORP	87612E106	100	04/08/04	03/08/10	$5,344 43	$4,405 00	$939 43
VANGUARD INTL EQUITY INDEX FD INC	922042858	300	08/08/07	03/08/10	$12,328 34	$14,362 50	$-2,034 16
WALGREEN CO	931422109	150	10/29/99	03/08/10	$5,204 18	$3,826 13	$1,378 05
WELLS FARGO & CO (NEW)	949746101	200	03/29/04	03/08/10	$5,768 92	$5,724 00	$44.92
COVIDIEN LTD	G25541 105	100	05/07/08	03/08/10	$5,013 43	$4,923 02	$90 41
ABB LTD SPONSORED ADR	000375204	400	01/29/08	03/08/10	$8,465 89	$10,049 24	$-1,583 35
AT&T INC	00206R102	200	10/30/08	03/08/10	$5,055 93	$5,387 48	$-331 55
ABBOTT LABS	002824100	100	07/24/03	03/08/10	$5,444 43	$3,798 07	$1,646 36
AIR PRODUCTS & CHEMICALS INC	009158106	75	03/25/04	03/08/10	$5,559 49	$3,712 75	$1,846 74
AIR PRODUCTS & CHEMICALS INC	009158106	25	06/02/04	03/08/10	$1,853 16	$1,231 80	$621 36
ALLERGAN INC	018490102	100	12/17/08	03/08/10	$6,159 42	$3,704 98	$2,454 44
APACHE CORP	037411105	100	07/02/03	03/08/10	$10,577 36	$3 164 96	$7,412 40
BAXTER INTERNATIONAL INC	071813109	100	05/07/08	03/08/10	$5,915 42	$6 234 77	$-319 35
BERKSHIRE HATHAWAY INC DEL	084670702	100	11/30/07	03/08/10	$8,263 39	$9,307 06	$-1,043 67
CME GROUP INC	12572Q105	50	03/18/08	03/08/10	$15,536 55	$23 353 32	$-7,816 77
CANON INC ADR REPSTG 5 SHS	138006309	200	11/18/03	03/08/10	$8,808 88	$6,037 69	$2,771 19

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
CARNIVAL CORP PAIRED CTF 1 COM	143658300	100	07/23/03	03/08/10	$3,692 45	$3,250 13	$442 32
CATERPILLAR INC	149123101	50	02/04/08	03/08/10	$2,943 21	$3,559 22	$-616 01
CENOVUS ENERGY INC	15135U109	100	06/02/04	03/08/10	$2,587 01	$967 97	$1,619 04
CISCO SYSTEM INC	17275R102	300	02/23/01	03/08/10	$7,768 40	$8,003 22	$-234 82
CONOCOPHILLIPS	20825C104	100	03/29/04	03/08/10	$5,073 43	$3,360 50	$1,712.93
DEERE & CO	244199105	50	11/11/04	03/08/10	$2,954 71	$1,723 46	$1,231 25
DISNEY WALT CO	254687106	150	03/18/08	03/08/10	$4,967 18	$4,719 09	$248 09
DU PONT (E I) DE NEMOURS & CO	263534109	200	01/16/07	03/08/10	$7,064 91	$10,041 18	$-2,976 27
EMERSON ELECTRIC CO	291011104	200	04/08/04	03/08/10	$9,586 87	$6,203 40	$3,383 47
ENCANA CORP	292505104	100	06/02/04	03/08/10	$3,427 45	$1,049 03	$2,378 42
PSE&G TRANSITION FDG LLC 2001-1	69361YAE3	6742 35	10/06/08	03/15/10	$6,742 35	$6,826 63	$-84 28
AT&T INC	00206R102	500	01/13/09	03/22/10	$13,222 33	$12,887 45	$334 88
AT&T INC	00206R102	950	12/17/08	03/22/10	$25,122 43	$27,075 00	$-1,952 57
AT&T INC	00206R102	825	10/30/08	03/22/10	$21,816 84	$22,223 36	$-406 52
UNION PAC CORP NT	907818CP1	18000	03/21/06	03/22/10	$19,946 65	$18,996 48	$950 17
AT&T INC	00206R102	425	02/06/09	03/22/10	$11,238 98	$11,109 50	$129 48
PERRIGO CO	714290103	180	08/06/08	03/24/10	$10,284 03	$6,608 90	$3,675 13
FED NATL MTG ASSN	31371LE39	1022 94	05/15/07	03/31/10	$1,022 94	$1,022 94	$0 00
FED NATL MTG ASSN	31371NXC4	971 29	02/12/09	03/31/10	$971 29	$998 58	$-27 29
FED NATL MTG ASSN	31374T2L2	270 92	07/18/03	03/31/10	$270 92	$282 31	$-11 39
FED NATL MTG ASSN	31384ASC3	13 74	10/19/99	03/31/10	$13 74	$13 74	$0 00
FED NATL MTG ASSN	31385IRN0	1087 08	08/15/07	03/31/10	$1 087 08	$1 087 08	$0 00
FED NATL MTG ASSN	31391Y611	591 85	04/16/03	03/31/10	$591 85	$607 25	$-15 40
FEDERAL NATIONAL MORTGAGE	31402DJS0	1719 55	05/03/07	03/31/10	$1 719 55	$1,719 55	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	767 04	03/16/07	03/31/10	$767 04	$767 04	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATIONAL MORTGAGE	31402QWA5	2404 53	05/18/07	03/31/10	$2 404 53	$2,404 53	$0 00
FED NATL MTG ASSN	31402RAD1	1479 95	04/12/07	03/31/10	$1.479 95	$1,479 95	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	1782 09	02/20/08	03/31/10	$1 782 09	$1,782 09	$0 00
FED NATL MTG ASSN	31414RWL5	1797 69	03/14/08	03/31/10	$1 797 69	$1,835 61	$-37 92
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1117 09	05/24/07	03/31/10	$1,117 09	$1,117 09	$0 00
GOVT NATL MTG ASSN	36290RT94	782 48	07/24/03	03/31/10	$782 48	$782 48	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	2330 2	01/22/08	03/31/10	$2,330 20	$2,330 20	$0 00
FED NATL MTG ASSN	31371LAC3	695 34	08/06/03	03/31/10	$695 34	$695 34	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1640 78	07/28/03	03/31/10	$1,640 78	$1,666 67	$-25 89
FED NATL MTG ASSN	31371KXR7	852 39	08/16/07	03/31/10	$852 39	$852 39	$0 00
FED NATL MTG ASSN	31371K4D0	1019 98	02/24/05	03/31/10	$1.019 98	$1,019 98	$0 00
FED NATL MTG ASSN	31371JL36	225 66	06/07/00	03/31/10	$225 66	$225 66	$0 00
FED HOME LN MTG CORP	3128MBUB1	839 44	05/29/08	03/31/10	$839 44	$860 95	$-21 51
FED HOME LN MTG CORP	3128M1TK5	1857 97	05/17/07	03/31/10	$1,857 97	$1,857 97	$0 00
FED HOME LN MTG CORP	3128M4518	803 16	09/07/07	03/31/10	$803 16	$820 35	$-17 19
LUBRIZOL CORP	549271AG9	10000	01/27/09	04/12/10	$12,469 10	$10,371 50	$2,097 60
LUBRIZOL CORP	549271AG9	5000	01/22/09	04/12/10	$6.234 55	$4,962 80	$1,271 75
UNITED STATES TREAS NTS	9128276T4	15000	07/03/08	04/15/10	$15 569 48	$15,842 04	$-272 56
QUESTAR PIPELINES CO	74836HAC1	10000	05/09/08	04/15/10	$10 705 00	$10,211 50	$493 50
FEDERAL NATL MTG ASSN NOTES	31359M4D2	10000	06/10/08	04/15/10	$10 910 70	$10,148 64	$762 06
FEDERAL NATL MTG ASSN NOTES	31359M4D2	5000	06/10/08	04/15/10	$5.455 35	$5,068 20	$387 15
FEDERAL NATL MTG ASSN NOTES	31359M4D2	10000	06/10/08	04/15/10	$10,910 70	$10,136 39	$774 31
QUESTAR PIPELINES CO	74836HAC1	25000	01/10/08	04/15/10	$26 762 50	$24,988 25	$1,774 25
FEDERAL NATIONAL MORTGAGE	31402QWA5	2245 65	05/18/07	04/30/10	$2.245 65	$2,245 65	$0 00
FED NATL MTG ASSN	31402RAD1	1112 11	04/12/07	04/30/10	$1.112 11	$1,112 11	$0 00

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATIONAL MORTGAGE	31402RRS0	1800 04	02/20/08	04/30/10	$1,800 04	$1,800 04	$0 00
FED NATL MTG ASSN	31414RWL5	3861 89	03/14/08	04/30/10	$3,861 89	$3,943 35	$-81 46
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1032 74	05/24/07	04/30/10	$1,032 74	$1,032 74	$0.00
GOVT NATL MTG ASSN	36290RT94	39 4	07/24/03	04/30/10	$39 40	$39 40	$0.00
GOVT NATL MTG ASSN CMO	38373Y6W9	624 29	01/22/08	04/30/10	$624 29	$624 29	$0.00
FED HOME LN MTG CORP	3128M1TK5	1645 86	05/17/07	04/30/10	$1,645 86	$1,645 86	$0 00
FED HOME LN MTG CORP	3128M45J8	614 46	09/07/07	04/30/10	$614 46	$627 61	$-13.15
FED HOME LN MTG CORP	3128MBUB1	794 55	05/29/08	04/30/10	$794 55	$814 91	$-20 36
FED NATL MTG ASSN	31371JL36	53.01	06/07/00	04/30/10	$53 01	$53 01	$0 00
FED NATL MTG ASSN	31371K4D0	897 76	02/24/05	04/30/10	$897 76	$897 76	$0 00
FED NATL MTG ASSN	31371KXR7	913 42	08/16/07	04/30/10	$913 42	$913 42	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1521 58	07/28/03	04/30/10	$1,521 58	$1,545 59	$-24 01
FEDERAL NATIONAL MORTGAGE	31402Q4B4	723 21	03/16/07	04/30/10	$723 21	$723 21	$0 00
FEDERAL NATIONAL MORTGAGE	31402DJS0	1577 96	05/03/07	04/30/10	$1,577 96	$1,577 96	$0 00
FED NATL MTG ASSN	31391Y6J1	331 44	04/16/03	04/30/10	$331 44	$331 44	$0 00
FED NATL MTG ASSN	31385JRN0	2389 59	08/15/07	04/30/10	$2,389 59	$2,389 59	$0.00
FED NATL MTG ASSN	31384ASC3	505 83	10/19/99	04/30/10	$505 83	$505 83	$0 00
FED NATL MTG ASSN	31374T2L2	139 82	07/18/03	04/30/10	$139 82	$139 82	$0 00
FED NATL MTG ASSN	31371LAC3	660 84	08/06/03	04/30/10	$660 84	$660 84	$0 00
FED NATL MTG ASSN	31371LE39	967 26	05/15/07	04/30/10	$967 26	$967 26	$0 00
FED NATL MTG ASSN	31371NXC4	335 28	02/12/09	04/30/10	$335 28	$345 29	$-10 01
QUALCOMM INC	747525103	650	12/17/08	05/03/10	$25,081 11	$22,760 86	$2 320 25
ARCHER DANIELS MIDLAND	039483102	925	04/21/05	05/03/10	$25,613 45	$18,988 21	$6,625 24
BAXTER INTERNATIONAL INC	071813109	600	05/07/08	05/03/10	$28,541 57	$37,408 62	$-8,867 05
QUALCOMM INC	747525103	325	02/06/09	05/03/10	$12 540 56	$11 497 69	$1,042 87

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
WALGREEN CO	931422AE9	15000	01/08/09	05/06/10	$16,259 40	$14,921 55	$1,337 85
BAXTER INTL INC SR NTS	071813AW9	15000	05/03/07	05/06/10	$17,145 15	$15,519 75	$1,625 40
CANON INC ADR REPSTG 5 SHS	138006309	300	03/08/04	05/13/10	$13 188 71	$10,025 20	$3,163 51
SCHLUMBERGER LTD	806857108	190	01/28/05	05/13/10	$12,888 43	$6,348 55	$6,539 88
CANON INC ADR REPSTG 5 SHS	138006309	550	11/18/03	05/13/10	$24,179 29	$16,603 66	$7,575 63
PACTIV CORP	695257AB1	20000	06/20/07	05/17/10	$20,352 00	$19,920 00	$432 00
DEVON ENERGY CORP	25179MAH6	10000	01/30/09	05/21/10	$11,496 40	$10,166 20	$1,330 20
KRAFT FOODS INC SR NTS	50075NAU8	5000	11/03/08	05/21/10	$5,584 55	$4,413 60	$1,170 95
KRAFT FOODS INC SR NTS	50075NAU8	5000	11/03/08	05/21/10	$5,584 55	$4,413 60	$1,170 95
KRAFT FOODS INC SR NTS	50075NAU8	10000	11/03/08	05/21/10	$11,169 10	$8,831 84	$2,337 26
KRAFT FOODS INC SR NTS	50075NAU8	5000	11/03/08	05/21/10	$5,584 55	$4,413 60	$1,170 95
NEW JERSEY ST	646139W35	15000	04/20/09	05/26/10	$18 480 90	$15,000 00	$3,480 90
WISCONSIN ENERGY CORPORATION	976657AH9	15000	12/17/08	05/27/10	$13,650 00	$7,486 19	$6,163 81
WISCONSIN ENERGY CORPORATION	976657AH9	20000	12/17/08	05/27/10	$18 200 00	$9,981 59	$8,218 41
FED HOME LN MTG CORP	3128MBUB1	813 66	05/29/08	05/31/10	$813 66	$834 51	$-20 85
FED NATL MTG ASSN	31371JL36	3 28	06/07/00	05/31/10	$3 28	$3 28	$0 00
FED NATL MTG ASSN	31371K4D0	868 88	02/24/05	05/31/10	$868 88	$868 88	$0 00
FED NATL MTG ASSN	31371KXR7	363 2	08/16/07	05/31/10	$363 20	$363 20	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1701 87	07/28/03	05/31/10	$1,701 87	$1,728 73	$-26 86
FED HOME LN MTG CORP	3128M45J8	591 84	09/07/07	05/31/10	$591 84	$604 51	$-12 67
FED HOME LN MTG CORP	3128M1TK5	1674 42	05/17/07	05/31/10	$1 674 42	$1,674 42	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	627 27	01/22/08	05/31/10	$627 27	$627 27	$0 00
GOVT NATL MTG ASSN	36290RT94	245 43	07/24/03	05/31/10	$245 43	$245 43	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1401 78	05/24/07	05/31/10	$1,401 78	$1,414 05	$-12 27
FED NATL MTG ASSN	31414RWL5	966 42	03 14/08	05/31/10	$966 42	$986 81	$-20 39

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATIONAL MORTGAGE	31402RRS0	6137 72	02/20/08	05/31/10	$6,137 72	$6,137 72	$0 00
FED NATL MTG ASSN	31402RAD1	1120 03	04/12/07	05/31/10	$1,120 03	$1,120 03	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	5435 46	05/18/07	05/31/10	$5,435 46	$5,435 46	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	686 76	03/16/07	05/31/10	$686 76	$686 76	$0.00
FEDERAL NATIONAL MORTGAGE	31402DJS0	3899.95	05/03/07	05/31/10	$3,899 95	$3,899 95	$0 00
FED NATL MTG ASSN	31402CYK2	1032 86	05/06/09	05/31/10	$1,032 86	$1,063 46	$-30.60
FED NATL MTG ASSN	31391Y6J1	504 2	04/16/03	05/31/10	$504 20	$517 32	$-13.12
FED NATL MTG ASSN	31385JRN0	926 77	08/15/07	05/31/10	$926 77	$926 77	$0 00
FED NATL MTG ASSN	31384ASC3	13 12	10/19/99	05/31/10	$13 12	$13 12	$0 00
FED NATL MTG ASSN	31374T2L2	141 79	07/18/03	05/31/10	$141 79	$141 79	$0 00
FED NATL MTG ASSN	31371LAC3	902	08/06/03	05/31/10	$902 00	$902 00	$0 00
FED NATL MTG ASSN	31371LE39	888 93	05/15/07	05/31/10	$888 93	$888 93	$0 00
FED NATL MTG ASSN	31371NXC4	627.78	02/12/09	05/31/10	$627 78	$644 68	$-16 90
PSE&G TRANSITION FDG LLC 2001-1	69361YAE3	6418 82	10/06/08	06/14/10	$6,418 82	$6,499 05	$-80.23
GE GLOBAL INS HLDG CORP NT	36158FAC4	50000	03/22/06	06/15/10	$50,000 00	$53,936 00	$-3,936 00
GENERAL ELECTRIC CO	369604103	900	10/29/99	06/16/10	$14,323 26	$40,687 14	$-26,363 88
GENERAL ELECTRIC CO	369604103	2800	08/03/99	06/16/10	$44,561 24	$101,458 00	$-56,896 76
U S TREASURY BONDS	912810FG8	15000	08/08/08	06/17/10	$17,585 69	$16,288 53	$1,297 16
U S TREASURY BONDS	912810FG8	5000	01/05/09	06/17/10	$5,861 89	$6,376 19	$-514 30
FEDERAL NATIONAL MORTGAGE	31402RRS0	13012 83	03/07/08	06/29/10	$13,993 87	$13,993 87	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	61176 89	02/20/08	06/29/10	$65 789 05	$65 789 05	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	906 29	03/16/07	06/30/10	$906 29	$906 29	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	2098 38	05/18/07	06/30/10	$2,098 38	$2,098 38	$0 00
FED NATL MTG ASSN	31402RAD1	1368 27	04/12/07	06/30/10	$1,368 27	$1 368 27	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	497 78	03/07/08	06/30/10	$497 78	$497 78	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31414RWL5	906 92	03/14/08	06/30/10	$906 92	$926 05	$-19 13
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1057 75	05/24/07	06/30/10	$1,057 75	$1 057 75	$0 00
GOVT NATL MTG ASSN	36290RT94	390 6	07/24/03	06/30/10	$390 60	$390 60	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	3512 39	01/22/08	06/30/10	$3,512 39	$3,512 39	$0 00
FED HOME LN MTG CORP	3128M1TK5	1769 25	05/17/07	06/30/10	$1,769 25	$1,769 25	$0 00
FED HOME LN MTG CORP	3128M45J8	779 66	09/07/07	06/30/10	$779 66	$796 35	$-16 69
FED HOME LN MTG CORP	3128MBUB1	749 3	05/29/08	06/30/10	$749 30	$768 50	$-19 20
FED NATL MTG ASSN	31371JL36	3 14	06/07/00	06/30/10	$3 14	$3 14	$0 00
FED NATL MTG ASSN	31371K4D0	1004 54	02/24/05	06/30/10	$1,004 54	$1,004 54	$0 00
FED NATL MTG ASSN	31371KXR7	378 48	08/16/07	06/30/10	$378 48	$378 48	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1541 21	07/28/03	06/30/10	$1,541 21	$1 565 53	$-24 32
FEDERAL NATIONAL MORTGAGE	31402DJS0	1470 31	05/03/07	06/30/10	$1,470 31	$1,470 31	$0 00
FED NATL MTG ASSN	31402CYK2	675 34	05/06/09	06/30/10	$675 34	$694 93	$-19 59
FED NATL MTG ASSN	31391Y6J1	273 71	04/16/03	06/30/10	$273 71	$273 71	$0 00
FED NATL MTG ASSN	31385JRN0	1003 13	08/15/07	06/30/10	$1,003 13	$1,003 13	$0 00
FED NATL MTG ASSN	31384ASC3	12 98	10/19/99	06/30/10	$12 98	$12 98	$0 00
FED NATL MTG ASSN	31374T2L2	119 9	07/18/03	06/30/10	$119 90	$119 90	$0.00
FED NATL MTG ASSN	31371LAC3	479 58	08/06/03	06/30/10	$479 58	$479 58	$0 00
FED NATL MTG ASSN	31371LE39	1131 67	05/15/07	06/30/10	$1,131 67	$1 131 67	$0 00
FED NATL MTG ASSN	31371NXC4	1004 5	02/12/09	06/30/10	$1,004 50	$1,030 92	$-26.42
APACHE CORP	037411AT2	25000	04/12/07	07/15/10	$27,028 25	$24,927 75	$2,100.50
DANAHER CORPORATION	235851AG7	15000	12/06/07	07/15/10	$17,209 65	$14,908 65	$2,301 00
NEW JERSEY ST	646139W35	15000	04/20/09	07/20/10	$18,342 90	$15,000 00	$3,342 90
FED NATL MTG ASSN	31414RWL5	769 85	03/14/08	07/31/10	$769 85	$786 09	$-16.24
FED HOME LN MTG CORP	3128MBUB1	646 52	05/29/08	07/31/10	$646 52	$663 09	$-16 57

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31371JL36	3 03	06/07/00	07/31/10	$3 03	$3 03	$0 00
FED NATL MTG ASSN	31371K4D0	853 17	02/24/05	07/31/10	$853 17	$853 17	$0 00
FED NATL MTG ASSN	31371KXR7	468 26	08/16/07	07/31/10	$468 26	$468 26	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1515 84	07/28/03	07/31/10	$1,515 84	$1,539 76	$-23 92
FED NATL MTG ASSN	31371LAC3	595.6	08/06/03	07/31/10	$595 60	$595 60	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1243 71	05/24/07	07/31/10	$1,243 71	$1,254 59	$-10 88
GOVT NATL MTG ASSN	36290RT94	37 1	07/24/03	07/31/10	$37.10	$37 10	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	620 03	01/22/08	07/31/10	$620 03	$620 03	$0 00
FED NATL MTG ASSN	31371LE39	1112 15	05/15/07	07/31/10	$1,112 15	$1,112 15	$0 00
FED NATL MTG ASSN	31371NXC4	928 24	02/12/09	07/31/10	$928 24	$952 08	$-23 84
FED NATL MTG ASSN	31374T2L2	198 74	07/18/03	07/31/10	$198 74	$198 74	$0 00
FED NATL MTG ASSN	31384ASC3	13 06	10/19/99	07/31/10	$13 06	$13 06	$0.00
FED NATL MTG ASSN	31385JRN0	884 16	08/15/07	07/31/10	$884 16	$884 16	$0 00
FED NATL MTG ASSN	31391Y6J1	746 5	04/16/03	07/31/10	$746 50	$765 92	$-19 42
FED NATL MTG ASSN	31402CYK2	796 54	05/06/09	07/31/10	$796 54	$819 17	$-22 63
FEDERAL NATIONAL MORTGAGE	31402DJS0	1613 52	05/03/07	07/31/10	$1,613 52	$1,613 52	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	717 8	03/16/07	07/31/10	$717 80	$717 80	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	2219 07	05/18/07	07/31/10	$2,219 07	$2,219 07	$0 00
FED NATL MTG ASSN	31402RAD1	1184 39	04/12/07	07/31/10	$1,184 39	$1 184 39	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	495 42	03/07/08	07/31/10	$495 42	$495 42	$0 00
FED HOME LN MTG CORP	3128M1TK5	1708 77	05/17/07	07/31/10	$1,708 77	$1 708 77	$0 00
FED HOME LN MTG CORP	3128M4518	626 99	09/07/07	07/31 10	$626 99	$640 41	$-13 42
FED HOME LN MTG CORP	3128M4518	16464 7	09/07/07	08/03/10	$18 064 86	$18 064 86	$0 00
FED NATL MTG ASSN	31414RW15	27558 39	03/14/08	08/03/10	$29 991 28	$29 991 28	$0 00
EXPRESS SCRIPTS INC	302182100	765	05/09/05	08/10/10	$34,566 01	$8 836 88	$25,729 13

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
GENERAL ELEC CAP CORP	36967HAH0	25000	06/11/09	08/10/10	$25,704 50	$24,939 00	$765 50
MARRIOTT INTL INC NEW CL A	571903202	1554	11/08/05	08/11/10	$51,823 62	$47,072 02	$4,751 60
FED HOME LN MTG CORP	3128M1TK5	11616 92	05/17/07	08/13/10	$12,490 01	$12,490 01	$0 00
FED HOME LN MTG CORP	3128M1TK5	12903 24	06/27/07	08/13/10	$13,873 00	$13,873 00	$0 00
FED HOME LN MTG CORP	3128M1TK5	22488 75	06/27/07	08/13/10	$24,178 92	$24,178 92	$0 00
LUBRIZOL CORP	549271AG9	5000	01/27/09	08/25/10	$6,445 50	$5,185 75	$1,259 75
LUBRIZOL CORP	549271AG9	5000	04/09/09	08/25/10	$6,445 50	$5,094 80	$1,350 70
FED NATL MTG ASSN	31371LAC3	722 05	08/06/03	08/31/10	$722 05	$722 05	$0 00
FED NATL MTG ASSN	31371KXR7	541 17	08/16/07	08/31/10	$541 17	$541 17	$0 00
GOVT NATL MTG ASSN	36290RT94	37 8	07/24/03	08/31/10	$37 80	$37 80	$0 00
FED NATL MTG ASSN	31371K4D0	1089 47	02/24/05	08/31/10	$1,089 47	$1,089 47	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	644 8	01/22/08	08/31/10	$644 80	$644 80	$0 00
FED NATL MTG ASSN	31371IL36	95 15	06/07/00	08/31/10	$95 15	$95 15	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	740 12	03/07/08	08/31/10	$740 12	$740 12	$0 00
FED HOME LN MTG CORP	3128MBUB1	707 67	05/29/08	08/31/10	$707 67	$725 80	$-18 13
FED NATL MTG ASSN	31371LE39	1590 1	05/15/07	08/31/10	$1,590 10	$1 590 10	$0 00
FED NATL MTG ASSN	31371NXC4	1420 04	02/12/09	08/31/10	$1,420 04	$1,455 61	$-35 57
FED NATL MTG ASSN	31374T2L2	151 48	07/18/03	08/31/10	$151 48	$151 48	$0 00
FED NATL MTG ASSN	31384ASC3	13 15	10/19/99	08/31/10	$13 15	$13 15	$0 00
FED NATL MTG ASSN	31385IRN0	1210 36	08/15/07	08/31/10	$1,210 36	$1 210 36	$0 00
FED NATL MTG ASSN	31391Y6I1	713 85	04/16/03	08/31/10	$713 85	$732 42	$-18 57
FED NATL MTG ASSN	31402CYK2	1020 15	05/06/09	08/31/10	$1,020 15	$1 048 50	$-28 35
FEDERAL NATIONAL MORTGAGE	31402DJS0	1972 96	05/03/07	08/31/10	$1,972 96	$1 972 96	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	794 99	03/16/07	08/31/10	$794 99	$794 99	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	2743 45	05/18/07	08/31/10	$2,743 45	$2 743 45	$0 00

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31402RAD1	1303 89	04/12/07	08/31/10	$1,303 89	$1,303 89	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1420 34	07/28/03	08/31/10	$1,420 34	$1,442 76	$-22 42
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1244 95	05/24/07	08/31/10	$1,244 95	$1,255 84	$-10 89
LUBRIZOL CORP	549271AG9	5000	04/09/09	09/01/10	$6,442 70	$5,094 80	$1,347 90
TEXAS ST BUILD	882722KF7	15000	08/19/09	09/03/10	$16,882 80	$15,000.00	$1,882 80
ENCANA CORP	292505104	2230	06/02/04	09/09/10	$64,584 17	$23,393.43	$41,190 74
PSE&G TRANSITION FDG LLC 2001-1	69361YAE3	7446 59	10/06/08	09/14/10	$7,446 59	$7,539 67	$-93.08
FEDERAL NATIONAL MORTGAGE	31371KY47	1425 11	07/28/03	09/30/10	$1,425 11	$1,447 60	$-22 49
FED NATL MTG ASSN	31371LAC3	813 67	08/06/03	09/30/10	$813 67	$813 67	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1036 55	05/24/07	09/30/10	$1,036 55	$1,036 55	$0 00
GOVT NATL MTG ASSN	36290RT94	379 27	07/24/03	09/30/10	$379 27	$379 27	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	636 94	01/22/08	09/30/10	$636 94	$636 94	$0 00
FED NATL MTG ASSN	31371LE39	1686 78	05/15/07	09/30/10	$1,686 78	$1,686 78	$0 00
FED NATL MTG ASSN	31371NXC4	1143 13	02/12/09	09/30/10	$1,143 13	$1,171 01	$-27 88
FED NATL MTG ASSN	31374T2L2	177 81	07/18/03	09/30/10	$177 81	$177 81	$0 00
FED NATL MTG ASSN	31384ASC3	13 24	10/19/99	09/30/10	$13 24	$13 24	$0 00
FED NATL MTG ASSN	31385JRN0	1308 79	08/15/07	09/30/10	$1,308 79	$1,308 79	$0 00
FED NATL MTG ASSN	31391Y6J1	458 62	04/16/03	09/30/10	$458 62	$470 55	$-11 93
FED NATL MTG ASSN	31402CYK2	1300 45	05/06/09	09/30/10	$1,300 45	$1,335 78	$-35 33
FEDERAL NATIONAL MORTGAGE	31402DIS0	2063 29	05/03/07	09/30/10	$2 063 29	$2,063 29	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	906 71	03/16/07	09/30/10	$906 71	$906 71	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	2933 68	05/18/07	09/30/10	$2 933 68	$2,933 68	$0 00
FED NATL MTG ASSN	31402RAD1	1469	04/12/07	09/30/10	$1 469 00	$1,469 00	$0 00
FED NATL MTG ASSN	31371KXR7	745 57	08/16/07	09/30/10	$745 57	$745 57	$0 00
FED NATL MTG ASSN	31371K4D0	1089 29	02 24/05	09/30/10	$1 089 29	$1,089 29	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATIONAL MORTGAGE	31402RRS0	700 9	03/07/08	09/30/10	$700 90	$700 90	$0 00
FED HOME LN MTG CORP	3128MBUB1	716 55	05/29/08	09/30/10	$716 55	$734 91	$-18 36
FED NATL MTG ASSN	31371IL36	2 86	06/07/00	09/30/10	$2 86	$2 86	$0 00
CARNIVAL CORP PAIRED CTF 1 COM	143658300	1950	07/23/03	10/08/10	$78,241 06	$63 377 53	$14,863 53
FPL GROUP CAP INC	302570BC9	10000	12/09/08	10/29/10	$12,556 30	$10,000 00	$2,556 30
UNITED STATES TREAS NTS	912828JE1	30371 7	10/06/08	10/29/10	$33 128 88	$28,273 33	$4,855 55
UNITED STATES TREAS NTS	912828JE1	5061 95	10/06/08	10/29/10	$5,521 48	$4,706 27	$815 21
UNITED STATES TREAS NTS	912828JE1	10123 9	01/05/09	10/29/10	$11,042 96	$9,407 80	$1,635 16
UNITED STATES TREAS NTS	912828JE1	10123 9	01/05/09	10/29/10	$11,042 96	$9,360 22	$1,682 74
UNITED STATES TREAS NTS	912828JE1	10123 9	01/05/09	10/29/10	$11,042 96	$9,407 81	$1,635 15
FED HOME LN MTG CORP	3128MBUB1	709 99	05/29/08	10/31/10	$709 99	$728 18	$-18 19
FEDERAL NATIONAL MORTGAGE	31402RRS0	599 76	03/07/08	10/31/10	$599 76	$599 76	$0 00
FED NATL MTG ASSN	31371K4D0	1119 8	02/24/05	10/31/10	$1,119 80	$1,119 80	$0 00
FED NATL MTG ASSN	31371KXR7	539 44	08/16/07	10/31/10	$539 44	$539 44	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1640 12	07/28/03	10/31/10	$1,640 12	$1,666 01	$-25 89
FED NATL MTG ASSN	31371LAC3	644 69	08/06/03	10/31/10	$644 69	$644 69	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	984 31	05/24/07	10/31/10	$984 31	$984 31	$0 00
GOVT NATL MTG ASSN	36290RT94	622 81	07/24/03	10/31/10	$622 81	$622 81	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	2941 85	01/22/08	10/31/10	$2,941 85	$2,941 85	$0 00
FED NATL MTG ASSN	31371LE39	1671 78	05/15/07	10/31/10	$1,671 78	$1,671 78	$0 00
FED NATL MTG ASSN	31371NXC4	1084 95	02/12/09	10/31/10	$1,084 95	$1,110 67	$-25 72
FED NATL MTG ASSN	31374T2L2	183 14	07/18/03	10/31/10	$183 14	$183 14	$0 00
FED NATL MTG ASSN	31384ASC3	565 45	10/19/99	10/31/10	$565 45	$565 45	$0 00
FED NATL MTG ASSN	31385JRN0	1267 75	08/15/07	10/31/10	$1,267 75	$1 267 75	$0 00
FED NATL MTG ASSN	31391Y6J1	686 97	04/16/03	10/31/10	$686 97	$704 84	$-17 87

Long term transactions

This category includes all assets held more than 12 months.

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31402CYK2	1182 19	05/06/09	10/31/10	$1,182 19	$1,213 55	$-31 36
FEDERAL NATIONAL MORTGAGE	31402DJS0	2155 17	05/03/07	10/31/10	$2,155 17	$2,155 17	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	850 75	03/16/07	10/31/10	$850 75	$850 75	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	3019 95	05/18/07	10/31/10	$3,019 95	$3,019.95	$0 00
FED NATL MTG ASSN	31402RAD1	1232 3	04/12/07	10/31/10	$1,232 30	$1,232 30	$0 00
FED NATL MTG ASSN	31371JL36	44 07	06/07/00	10/31/10	$44 07	$44 07	$0 00
DOW CHEM CO	260543BX0	15000	05/07/09	11/02/10	$19,402 50	$14,969 10	$4,433.40
VERIZON GLOBAL FDG CORP GLOBAL NT	92344GAT3	50000	05/03/07	11/04/10	$56,025 50	$54,907 50	$1,118 00
UNITED STATES TREAS BDS	912810PX0	5000	08/07/09	11/05/10	$5,379 28	$4,922 09	$457.19
UNITED STATES TREAS BDS	912810PX0	5000	09/30/09	11/10/10	$5,256.03	$5,390 65	$-134 62
UNITED STATES TREAS BDS	912810PX0	10000	08/07/09	11/10/10	$10,512 07	$9,844 19	$667 88
UNITED STATES TREAS BDS	912810PX0	5000	09/28/09	11/10/10	$5,256 04	$5,387 52	$-131.48
DIAGEO CAP PLC	25243YAN9	5000	11/07/08	11/12/10	$5,903 45	$5,098 35	$805 10
UNION PAC CORP NT	907818CP1	17000	03/21/06	11/15/10	$18,272 62	$17,941 12	$331 50
HESS CORP	42809HAB3	10000	01/29/09	11/23/10	$13,016 50	$10,315 30	$2,701 20
HESS CORP	42809HAB3	5000	01/29/09	11/23/10	$6,508 25	$5,162 25	$1,346 00
FEDEX CORP	31428XAR7	15000	01/14/09	11/23/10	$19,055 40	$15,698 40	$3,357 00
FED NATL MTG ASSN	31384ASC3	12 61	10/19/99	11/30/10	$12 61	$12 61	$0 00
FED NATL MTG ASSN	31385JRN0	1082 09	08/15/07	11/30/10	$1 082 09	$1,082 09	$0 00
FED NATL MTG ASSN	31391Y6J1	839 93	04/16/03	11/30/10	$839 93	$861 78	$-21 85
FED NATL MTG ASSN	31402CYK2	1349 94	05/06/09	11/30/10	$1,349 94	$1,384 87	$-34 93
FEDERAL NATIONAL MORTGAGE	31402DJS0	2156 16	05/03/07	11/30/10	$2 156 16	$2,156 16	$0 00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	814 45	03/16/07	11/30/10	$814 45	$814 45	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	3218 36	05/18/07	11/30/10	$3 218 36	$3,218 36	$0 00
FED NATL MTG ASSN	31402RAD1	1632 81	04/12/07	11/30/10	$1 632 81	$1,632 81	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FEDERAL NATIONAL MORTGAGE	31402RRS0	725 2	03/07/08	11/30/10	$725 20	$725 20	$0 00
FED NATL MTG ASSN	31374T2L2	121 2	07/18/03	11/30/10	$121 20	$121 20	$0.00
FED NATL MTG ASSN	31371NXC4	1462 04	02/12/09	11/30/10	$1,462 04	$1,495 67	$-33 63
FED NATL MTG ASSN	31371LE39	2240 34	05/15/07	11/30/10	$2,240 34	$2,240 34	$0 00
FED NATL MTG ASSN	31371LAC3	793 84	08/06/03	11/30/10	$793 84	$793 84	$0 00
GOVT NATL MTG ASSN CMO	38373Y6W9	643 37	01/22/08	11/30/10	$643 37	$643 37	$0 00
GOVT NATL MTG ASSN	36290RT94	652 91	07/24/03	11/30/10	$652 91	$652 91	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1133 79	05/24/07	11/30/10	$1 133 79	$1,133 79	$0 00
FEDERAL NATIONAL MORTGAGE	31371KY47	1787 37	07/28/03	11/30/10	$1,787 37	$1,815 58	$-28 21
FED NATL MTG ASSN	31371KXR7	675 47	08/16/07	11/30/10	$675 47	$675 47	$0 00
FED NATL MTG ASSN	31371K4D0	1153 69	02/24/05	11/30/10	$1,153 69	$1,153 69	$0 00
FED HOME LN MTG CORP	3128MBUB1	733 07	05/29/08	11/30/10	$733 07	$751 86	$-18 79
FED NATL MTG ASSN	31371JL36	3 15	06/07/00	11/30/10	$3 15	$3 15	$0 00
JPMORGAN CHASE & CO	481247AD6	50000	03/31/09	12/01/10	$50,000 00	$51,209 50	$-1,209 50
PSE&G TRANSITION FDG LLC 2001-1	69361YAE3	7762 43	10/06/08	12/15/10	$7,762 43	$7,859 46	$-97 03
BARD C R INC	067383AA7	25000	08/06/08	12/15/10	$29,479 75	$24,757 75	$4,722 00
DANAHER CORPORATION	235851AG7	5000	12/06/07	12/21/10	$5,664 30	$4,969 55	$694 75
ITT INDS INC IND	450911102	1025	10/24/06	12/21/10	$53 990 96	$55,691 73	$-1,700 77
ITT INDS INC IND	450911102	325	03/24/08	12/21/10	$17,119 08	$17,479 73	$-360 65
BERKSHIRE HATHAWAY INC DEL	084670702	600	11/30/07	12/21/10	$48,110 18	$55,842 33	$-7,732 15
APPLE COMPUTER INC	037833100	100	09/18/08	12/21/10	$32,406 95	$12,862 97	$19,543 98
TRANSOCEAN LTD	H8817H100	100	06/17/09	12/21/10	$6,958 88	$7,778 10	$-819 22
TRANSOCEAN LTD	H8817H100	500	06/11/09	12/21/10	$34 794 41	$42,610 40	$-7,815 99
WALGREEN CO	931422109	370	03/03/00	12/21/10	$13 606 52	$9,137 15	$1,469 37
PERRIGO CO	714290103	45	08/06/08	12/21/10	$2 954 09	$1,652 23	$1,301 86

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
PERRIGO CO	714290103	755	08/28/08	12/21/10	$49,563 10	$26,567 54	$22,995 56
PROCTER & GAMBLE CO	742718109	600	07/24/03	12/21/10	$38,792 34	$26,616 00	$12,176 34
QUEST DIAGNOSTICS INC	74834L100	725	06/25/09	12/21/10	$39,451.22	$40,492 62	$-1,041 40
QUEST DIAGNOSTICS INC	74834L100	450	09/10/09	12/21/10	$24,486 96	$24,351 52	$135 44
VANGUARD INTL EQUITY INDEX FD INC	922042858	800	08/08/07	12/21/10	$38,219 35	$38,300 00	$-80 65
WALGREEN CO	931422109	630	10/29/99	12/21/10	$23,167.85	$16,069 72	$7,098 13
TRANSOCEAN LTD	H8817H100	225	06/22/09	12/28/10	$15,382 99	$16,410 42	$-1,027 43
PROCTER & GAMBLE CO	742718109	600	07/24/03	12/28/10	$38,650 32	$26,616 00	$12,034 32
TRANSOCEAN LTD	H8817H100	100	06/17/09	12/28/10	$6,836 88	$7,778 10	$-941 22
JOHNSON AND JOHNSON	478160104	500	07/02/03	12/28/10	$30,978 22	$26,390 00	$4,588 22
CONOCOPHILLIPS	20825C104	800	03/29/04	12/28/10	$53,771 09	$26,884 00	$26,887 09
NESTLE S A ADR REG	641069406	1000	06/02/04	12/28/10	$59,273 99	$26,335 84	$32,938 15
FED HOME LN MTG CORP	3128MBUB1	672 92	05/29/08	01/18/11	$672 92	$690 16	$-17.24
GOVT NATL MTG ASSN	36290RT94	180 59	07/24/03	01/18/11	$180 59	$180 59	$0 00
GOVERNMENT NATIONAL MORTGAGE	36202D2F7	1283 91	05/24/07	01/20/11	$1,283 91	$1,295 14	$-11 23
FED NATL MTG ASSN	31374T2L2	168 36	07/18/03	01/25/11	$168 36	$168 36	$0 00
FED NATL MTG ASSN	31384ASC3	12 71	10/19/99	01/25/11	$12 71	$12 71	$0 00
FED NATL MTG ASSN	31385JRN0	1176 41	08/15/07	01/25/11	$1,176 41	$1,176 41	$0 00
FED NATL MTG ASSN	31391Y611	1024 5	04/16/03	01/25/11	$1,024 50	$1,051 16	$-26 66
FED NATL MTG ASSN	31402CYK2	1133 6	05/06/09	01/25/11	$1,133 60	$1,162 18	$-28 58
FEDERAL NATIONAL MORTGAGE	31402DJS0	2219 67	05/03/07	01/25/11	$2,219 67	$2,219 67	$0.00
FEDERAL NATIONAL MORTGAGE	31402Q4B4	827 02	03/16/07	01/25/11	$827 02	$827 02	$0 00
FEDERAL NATIONAL MORTGAGE	31402QWA5	2939 04	05/18/07	01/25/11	$2,939 04	$2 939 04	$0 00
FED NATL MTG ASSN	31402RAD1	1188 25	04/12/07	01/25/11	$1,188 25	$1 188 25	$0 00
FEDERAL NATIONAL MORTGAGE	31402RRS0	648 53	03/07/08	01/25/11	$648 53	$648 53	$0 00

Long term transactions

This category includes all assets held more than 12 months

Description (Box 7)	Cusip (Box 1b)	Number of shares exchanged (Box 5)	Acquisition Date	Sale date (Box 1a)	Gross proceeds less commissions (Box 2)	Tax cost	Net gain or loss
FED NATL MTG ASSN	31371JL36	11 1	06/07/00	01/25/11	$11 10	$11 10	$0 00
FED NATL MTG ASSN	31371K4D0	1047 95	02/24/05	01/25/11	$1,047 95	$1,047 95	$0 00
FED NATL MTG ASSN	31371KXR7	517 26	08/16/07	01/25/11	$517 26	$517 26	$0 00
FED NATL MTG ASSN	31371NXC4	1046 98	02/12/09	01/25/11	$1,046 98	$1,070 30	$-23 32
FEDERAL NATIONAL MORTGAGE	31371KY47	1812 13	07/28/03	01/25/11	$1,812 13	$1,840 73	$-28 60
FED NATL MTG ASSN	31371LAC3	859 28	08/06/03	01/25/11	$859 28	$859 28	$0.00
FED NATL MTG ASSN	31371LE39	1731 12	05/15/07	01/25/11	$1,731 12	$1,731 12	$0 00
Total long term gain/loss from sales: Report on Form 1040, Schedule D, line 8, Column d, e, and f					$2,919,214 40	$2,676,998 70	$242,215 70

Total proceeds reported to IRS on Form 1099-B $3,991,109.54

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PART IV, LINE 1b.

MCGRAW FOUNDATION

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MCGRAW FOUNDATION

Statements of Financial Position
December 31, 2010 and 2009

	2010	2009
Assets		
Cash	$ 54,017	$ 96,772
Interest and dividend income receivable	31,983	40,824
Investments		
Fixed income securities	2,861,558	3,505,666
Common stocks	5,717,432	5,809,886
Limited partnership	142,964	113,562
Short-term investments	1,101,706	128,305
Total investments	9,823,660	9,557,419
Equipment		
Equipment	14,260	14,260
Less accumulated depreciation	(14,177)	(14,012)
Net equipment	83	248
Other assets		
Refundable Federal excise tax		2,219
Prepaid insurance	2,045	2,567
Prepaid expenses - other		1,950
Lease deposit	1,024	1,024
Total other assets	3,069	7,760
Total assets	$9,912,812	$9,703,023
Liabilities and Net Assets		
Grants payable	$ 524,010	$ 801,680
Federal excise tax	2,151	
Total current liabilities	526,161	801,680
Net assets - unrestricted	9,386,651	8,901,343
Total liabilities and net assets	$9,912,812	$9,703,023

The accompanying notes are an integral part of these financial statements

MCGRAW FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment income		
Net gain on investment	$ 965,310	$1,459,145
Interest income	153,146	177,120
Dividend income	100,401	101,764
Total investment income	1,218,857	1,738,029
Grant and scholarship program		
Civic	5,000	
Cultural	10,000	
Education, higher	142,500	100,000
Education, special	115,000	60,000
Health and medical research	7,500	
Social services	85,000	
Environmental	41,830	25,000
Matching grants (board members)	81,945	65,880
Miscellaneous grants	1,950	1,250
Total grant and scholarship program	490,725	252,130
Expenses		
Management and general expenses	184,581	180,010
Advisory and custodial fees	53,873	53,835
Federal excise tax	4,370	1,781
Total expenses	242,824	235,626
Changes in net assets	485,308	1,250,273
Net assets, beginning of year	8,901,343	7,651,070
Net assets, end of year	$9,386,651	$8,901,343

The accompanying notes are an integral part of these financial statements

MCGRAW FOUNDATION

Statements of Cash Flows
For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Changes in net assets	$485,308	$1,250,273
Adjustments to reconcile changes in net assets to net cash flows provided by operating activities		
Depreciation	165	842
(Increase) decrease in assets:		
Interest and dividend income receivable	8,841	6,120
Refundable Federal excise tax	2,219	(2,219)
Prepaid insurance	522	642
Prepaid expenses - other	1,950	(1,950)
Increase (decrease) in liabilities:		
Grants payable	(277,670)	(581,538)
Federal excise tax	2,151	(239)
Net cash provided by operating activities	223,486	671,931
Cash flows from investing activities		
Net fixed income securities activity	644,108	47,027
Net common stocks activity	92,454	(601,135)
Net limited partnership activity	(29,402)	(27,367)
Net short-term investments activity	(973,401)	(108,599)
Net cash (used in) investing activities	(266,241)	(690,074)
Net (decrease) in cash	(42,755)	(18,143)
Cash, beginning of year	96,772	114,915
Cash, end of year	$ 54,017	$ 96,772

The accompanying notes are an integral part of these financial statements

MCGRAW FOUNDATION

Notes to Financial Statements

Note 1 - Foundation and nature of activities

The McGraw Foundation (the Foundation) was established in 1948 to fund grants to tax-exempt organizations in the fields of education, social services and other activities. The Foundation also matches, to a limit of $25,000 per director, grants and contributions made by board members to tax-exempt organizations. The Foundation is governed by a self-perpetuating Board of Directors. Operations are managed by a full-time executive director to carry out the policies and procedures established by the Board of Directors.

Note 2 - Significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These financial statements reflect all significant receivables, payables and other liabilities.

Financial statement presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2010 and 2009, all of the net assets are unrestricted with no temporarily or permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

Cash

Cash consists of checking and money market accounts. For purposes of the statement of cash flows, the Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change of net assets. The cost of investments sold is based on the earliest acquisition cost of each security held at the time of sale less any amortized premium paid over face value. The Foundation's investments are managed by a professional manager.

Note 2 - Significant accounting policies, cont'd

Fair value measurements

The Foundation applies generally accepted accounting principles (GAAP) for fair value measurements of assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements (Note 5).

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Property and equipment

Purchased property and equipment are capitalized at cost. Donated property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment is depreciated using the straight-line method over estimated useful lives ranging from 5 to 7 years.

Income taxes

The Foundation is a private foundation and qualifies for exemption from income taxes but is subject to a two percent Federal excise tax on new investment income, including realized gains. The rate can be reduced to one percent if certain requirements as to the level of charitable distributions are met.

The Internal Revenue Code require that certain minimum distributions be made in accordance with a specified formula. Failure to pay the minimum by the end of the succeeding year can result in additional taxes and possible loss of the Foundation's tax-exempt status. Distributions in excess of the minimum requirement reduce the required minimum distributions in future years, subject to a five-year limitation. At December 31, 2010, the Foundation had excess distribution carryovers of $2,308,338.

Note 2 - Significant accounting policies, cont'd

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management's review

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 9, 2011, the date that the financial statements were available to be issued.

Note 3 - Program Services

The McGraw Foundation mission is to provide financial assistance for educational and charitable purposes in furtherance of the April 13, 2011 public good and promoting the well-being of mankind. This is accomplished by providing support for a variety of educational and charitable activities. The Foundation was funded through contributions from Max McGraw and several family members and friends.

Note 4 - Investments

Investments at cost and at fair values described in Note 2 above are summarized as follows:

	2010		2009	
Equity and debt	Cost	Value	Cost	Value
U.S. Government note and bonds	$ 128,537	$ 128,329	$ 312,703	$ 308,373
U.S. Agency mortgage obligations	1,348,242	1,412,506	1,526,555	1,614,226
State and municipal bonds	255,232	253,415	154,821	158,981
Corporate notes and bonds	1,002,508	1,067,308	1,326,553	1,424,086
Common stocks	4,133,620	5,717,432	4,977,287	5,809,886
Limited partnership	125,000	142,964	125,000	113,562
Short term investments	1,101,706	1,101,706	128,305	128,305
Total investments	$8,094,845	$9,823,660	$8,551,224	$9,557,419

Note 5 - Fair value measurements

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 — Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Common stocks, state and municipal bonds, corporate notes and bonds, U.S. government securities, limited partnership and short term investments: Valued at the closing price reported on the active market on which the individual securities are traded.

Note 5 - Fair value measurements, cont'd

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2010:

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$1,540,835	$ –	$ –	$1,540,835
State and municipal bonds	253,415			253,415
Corporate notes and bonds	1,067,308			1,067,308
Common stocks	5,717,432			5,717,432
Limited partnership	142,964			142,964
Short term investments	1,101,706			1,101,706
	$9,823,660	$ –	$ –	$9,823,660

Note 6 - Grant payable

At December 31, 2010, the Foundation was committed under grant programs for the following payments for future years:

	Amount Of Grants	Present Value
Payable for year 2011	$287,500	$287,500
Payable for year 2012	257,500	236,510
Totals	$545,000	$524,010

Note 7 - Lease

The Foundation conducts its operations from a premise that is leased under a noncancellable operating lease expiring in November 2013, with an option to renew for two years. Fixed minimum future monthly rentals payable after December 31, 2010 total $48,728. Total rent expense for the Foundation's operating lease amounted to approximately $17,952 and $17,272 in years ended December 31, 2010 and 2009, respectively.

Note 8 - Concentration of credit risk and market risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of investments in debt and equity securities. The investments in debt securities do not represent significant concentrations of market risk inasmuch as such investments are diversified among U.S. Treasury and U.S. agency issuers. Common stock investments, while diversified among different industries and companies, are subject to a global decline in values.

Note 9 - Grant contingency

The Foundation has approved the McGraw Foundation Challenge Grant Program beginning in 2011. Under this program, the Foundation will match cash donations made to the Max McGraw Wildlife Foundation up to a maximum of $200,000 annually in each of the next five years. If more than $200,000 is collected in any one year, the amount in excess of $200,000 may be carried over to the following year. The Foundation cannot predict the amount that will be paid from this grant program. Accordingly, no liability has been recorded in the financial statements.

MCGRAW FOUNDATION

Schedules of Management and General Expenses
For the Years Ended December 31, 2010 and 2009

	2010	2009
Management and general expenses		
Salaries	$131,250	$126,234
Rent	17,952	17,272
Payroll taxes	10,285	9,879
Office supplies	7,234	6,517
Insurance	8,132	8,404
Telephone and utilities	3,190	3,358
Professional fees	4,150	5,300
Conference and travel	1,638	1,609
Depreciation	166	842
Dues and subscriptions	584	595
Total management and general expenses	$184,581	$180,010

See Independent Auditors' Report on Supplementary Information