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

OMB No 1545-0052

2010Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

Name of foundation KATHERINE G & ROBT. M ROLOSON FOUNDATION C/O ROBERT D. ZIMELIS		A Employer identification number 36-4246828
Number and street (or P.O. box number if mail is not delivered to street address) TWO NORTH LASALLE STREET	Room/suite 2200	B Telephone number 312-269-8095
City or town, state, and ZIP code CHICAGO, IL 60602		C If exemption application is pending, 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		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 719,965.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
(Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	27,101.	27,101.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<12,134.>			
	b Gross sales price for all assets on line 6a	114,244.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	14,967.	27,101.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 2	1,960.	980.		980.
	c Other professional fees STMT 3	4,143.	4,143.		0.
	17 Interest				
	18 Taxes STMT 4	274.	196.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 5	25.	0.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	6,402.	5,319.		980.
	25 Contributions, gifts, grants paid	40,000.			40,000.
26 Total expenses and disbursements. Add lines 24 and 25	46,402.	5,319.		40,980.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<31,435.>				
b Net investment income (if negative enter -0-)		21,782.			
c Adjusted net income (if negative, enter -0-)			N/A		

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12-07-10

LHA For Paperwork Reduction Act Notice, see the instructions.

Form 990-PF (2010)

KATHERINE G & ROBT. M ROLOSON FOUNDATION
C/O ROBERT D. ZIMELIS

36-4246828

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing					
	2 Savings and temporary cash investments			54,252.	6,817.	6,817.
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock STMT 6			416,861.	478,420.	551,631.
	c Investments - corporate bonds STMT 7			201,310.	151,060.	161,517.
11 Investments - land, buildings, and equipment: basis ▶						
Less: accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other						
14 Land, buildings, and equipment: basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶)			34.	0.	0.	
16 Total assets (to be completed by all filers)			672,457.	636,297.	719,965.	
Liabilities	17 Accounts payable and accrued expenses			15,000.	10,000.	
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶ DUE TO OFFICER)			4,009.	4,284.	
23 Total liabilities (add lines 17 through 22)			19,009.	14,284.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			813,263.	813,263.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			<159,815.>	<191,250.>	
30 Total net assets or fund balances			653,448.	622,013.		
31 Total liabilities and net assets/fund balances			672,457.	636,297.		

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	653,448.
2 Enter amount from Part I, line 27a	2	<31,435.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	622,013.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	622,013.

Form 990-PF (2010)

KATHERINE G & ROBT. M ROLOSON FOUNDATION
C/O ROBERT D. ZIMELIS

Form 990-PF (2010)

36-4246828 Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
b SEE ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS			
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 8,424.		7,986.	438.
b 100,304.		118,392.	<18,088.>
c 5,516.			5,516.
d			
e			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			438.
b			<18,088.>
c			5,516.
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	<12,134.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	50,942.	649,748.	.078403
2008	60,435.	824,921.	.073262
2007	40,800.	835,851.	.048813
2006	45,223.	803,616.	.056274
2005	40,800.	791,500.	.051548

2 Total of line 1, column (d)	2	.308300
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	.061660
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	684,473.
5 Multiply line 4 by line 3	5	42,205.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	218.
7 Add lines 5 and 6	7	42,423.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	40,980.

KATHERINE G & ROBT. M ROLOSON FOUNDATION
C/O ROBERT D. ZIMELIS

36-4246828

Page 4

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	436.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).	3	436.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3	Add lines 1 and 2	5	436.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	240.
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	240.
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	196.
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
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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		X
1c Did the foundation file Form 1120-POL for this year?		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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ IL		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Form 990-PF (2010)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► ROBERT D. ZIMELIS Located at ► CHICAGO, ILLINOIS	Telephone no. ► 312-269-8095 ZIP+4 ► 60602		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐ N/A	1b	
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 ► _____ ☐ 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 instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

Form 990-PF (2010)

KATHERINE G & ROBT. M ROLOSON FOUNDATION

Form 990-PF (2010)

C/O ROBERT D. ZIMELIS

36-4246828

Page 6

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

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

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
ROBERT M. ROLOSON	PRESIDENT			
TWO NORTH LASALLE STREET				
CHICAGO, IL 60602	0.00	0.	0.	0.
KATHERINE G. ROLOSON	DIRECTOR			
TWO NORTH LASALLE STREET				
CHICAGO, IL 60602	0.00	0.	0.	0.
ROBERT D. ZIMELIS	DIRECTOR			
TWO NORTH LASALLE STREET				
CHICAGO, IL 60602	0.00	0.	0.	0.

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

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

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

0

Form 990-PF (2010)

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

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

[illegible]

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.

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
------------------	---

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

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.

Total. Add lines 1 through 3

0.

Form **990-PF** (2010)

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	665,875.
b	Average of monthly cash balances	1b	29,021.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	694,896.
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	694,896.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	10,423.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	684,473.
6	Minimum investment return. Enter 5% of line 5	6	34,224.

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	34,224.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	436.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	436.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	33,788.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	33,788.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	33,788.

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	40,980.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	40,980.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	40,980.

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.

Form 990-PF (2010)

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				33,788.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	1,670.			
b From 2006	6,196.			
c From 2007				
d From 2008	19,919.			
e From 2009	18,931.			
f Total of lines 3a through e	46,716.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 40,980.				
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				33,788.
e Remaining amount distributed out of corpus	7,192.			
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	53,908.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	1,670.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	52,238.			
10 Analysis of line 9:				
a Excess from 2006	6,196.			
b Excess from 2007				
c Excess from 2008	19,919.			
d Excess from 2009	18,931.			
e Excess from 2010	7,192.			

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
THE AUBURN UNIVERSITY FOUNDATION 317 S COLLEGE STREET AUBURN, AL 36849			EDUCATION	20,000.
UNIVERSITY OF KANSAS/STUDIO 804 - SCHOOL OF ARCHITECTURE AND URBAN DESIGN - 1465			EDUCATION	5,000.
UNIVERSITY OF PENNSYLVANIA, ARCH. DEPT, 207 MEYERSON HALL PHILADELPHIA, PA			EDUCATION	10,000.
UNIVERSITY OF WASHINGTON FOUNDATION 407 GERBERDING HALL, BOX 351210 SEATTLE, WA			EDUCATION	5,000.
Total			3a	40,000.
b Approved for future payment				
NONE				
Total			3b	0.

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

- | | | |
|--|-------|-----|
| <p>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?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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.</p> | | Yes |
| | 1a(1) | |
| | 1a(2) | |
| | | |
| | 1b(1) | |
| | 1b(2) | |
| | 1b(3) | |
| | 1b(4) | |
| | 1b(5) | |
| | 1b(6) | |
| | 1c | |

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

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

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

Title

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if
self-employed

PTIN

**Paid
Preparer
Use Only**

ERIN M FLANAGAN

Firm's name ► **RSM MCGLADREY, INC.**

20 NORTH MARTINGALE RD., SUITE 500

Firm's address ► **SCHAUMBURG, IL 60173**

Firm's EIN ▶ 41-1944416

Phone no.	847-413-6900
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FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
NORTHERN TRUST - CAPITAL GAINS DIVIDENDS	5,516.	5,516.	0.
NORTHERN TRUST - DIVIDENDS	18,530.	0.	18,530.
NORTHERN TRUST - INTEREST	8,571.	0.	8,571.
TOTAL TO FM 990-PF, PART I, LN 4	32,617.	5,516.	27,101.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
RSM MCGLADREY INC	1,960.	980.		980.
TO FORM 990-PF, PG 1, LN 16B	1,960.	980.		980.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
THE NORTHERN TRUST COMPANY	4,143.	4,143.		0.
TO FORM 990-PF, PG 1, LN 16C	4,143.	4,143.		0.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	196.	196.		0.
FEDERAL EXCISE TAX	78.	0.		0.
TO FORM 990-PF, PG 1, LN 18	274.	196.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ILLINOIS CHARITY BUREAU FUND	15.	0.		0.	
ILLINOIS SECRETARY OF STATE	10.	0.		0.	
TO FORM 990-PF, PG 1, LN 23	25.	0.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
ABBOTT LABORATORIES	6,265.	6,947.		
AVON PRODS INC	0.	0.		
CISCO SYS INC COMMON STOCK	4,776.	6,069.		
COCA COLA CO.	6,412.	6,577.		
EXXON MOBIL CORP.	3,509.	7,312.		
FISERV INC.	1,765.	2,928.		
GENERAL DYNAMICS CORP.	2,068.	3,548.		
GENERAL ELECTRIC CO.	7,033.	3,658.		
HOSPIRA INC	0.	0.		
INTEL CORP.	10,097.	6,309.		
KOHL'S CORP.	3,481.	5,434.		
MFB NORTHERN FD INTL GRTH EQ	13,793.	12,097.		
MFB NORTHERN FD MID CAP GRWTH	15,500.	24,894.		
MICROSOFT CORP.	11,260.	7,538.		
NOBLE ENERGY INC	1,028.	4,304.		
PFIZER INC.	13,294.	5,253.		
PRINCIPAL FINL GROUP INC. COM	4,058.	4,884.		
SCHLUMBERGER LTD.	2,321.	8,350.		
STRYKER CORP	5,706.	6,444.		
TARGET CORP.	4,825.	7,516.		
UNITED TECHNOLOGIES CORP.	1,832.	3,936.		
WALGREEN CO.	3,091.	3,896.		
WELLS FARGO & CO.	3,381.	6,198.		
PROCTER & GAMBLE CO.	4,043.	4,503.		
MFB NORTHERN FDS SMALL CAP	6,200.	9,697.		
EATON VANCE CORP - MID CAP	6,894.	6,046.		
MFB NORTHERN EMERGING MRKTS EQUITY FUND	14,000.	16,151.		
MFB NORTHERN FD GLOBAL REAL ESTATE INDEX	19,577.	25,921.		
GOLDMAN SACHS GROUP, INC. COM	0.	0.		
GOOGLE, INC.	4,396.	5,940.		
MFC SELECT SECTOR SPDR TR ENERGY	2,933.	3,413.		
MFC SELECT SECTOR BEN INT-MATERIALS	7,142.	9,625.		
MFC SELECT SECTOR TR TECHNOLOGY	3,966.	5,036.		

MFC SELECT SECTOR SPDR TR UTILS	4,374.	4,701.
SELECT SECTOR SPDR TR INDL	8,394.	10,470.
MFB NORTHERN INTL EQUITY INDEX FD	39,000.	40,825.
MFB NORTHERN FDS EMERGING MKTS EQUITY FD	47,130.	61,686.
MFB NORTHERN HIGH YIELD FIXED INCOME FUND	95,000.	103,144.
MFO PIMCO FDS PAC INVT MGMT SER COMMODITY	18,239.	24,303.
MFB NORTHERN FDS STK INDEX FD	20,605.	23,750.
MFO NUVEEN PREF SECURITIES	10,253.	10,216.
MFB NORTHERN FUNDS MULTI MANAGER HIGH YIELD OPPORTUNITY	10,107.	10,567.
MFC ISHARES IBOXB INVT GRADE GROUP BOND FUND	15,672.	16,266.
MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD	15,000.	15,279.
TOTAL TO FORM 990-PF, PART II, LINE 10B	478,420.	551,631.

FORM 990-PF

CORPORATE BONDS

STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ANHEUSER BUSCH COS INC	0.	0.
HOUSEHOLD FIN CORP	24,563.	26,367.
KIMBERLY CLARK CORP	25,625.	26,317.
NATIONAL RURAL UTILS	0.	0.
BP CAP MKTS P L C SR NT	25,087.	27,075.
LOWES COS INC	25,061.	27,743.
SBC COMMUNICATIONS INC	25,503.	28,032.
WAL-MART STORES, INC.	25,221.	25,983.
TOTAL TO FORM 990-PF, PART II, LINE 10C	151,060.	161,517.

2010 Tax Information Statement

Page 6 of 15

Account Number: 23-26094
 Recipient's Tax ID Number: XX-XXX6828

Recipient's Name and Address:
 THE KATHERINE G & ROBERT M
 ROLOSON
 C/O MR ROBERT M. ROLOSON, PRESIDENT
 P.O. BOX 2970
 TELLURIDE, CO 81435-2970

☐ Corrected ☐ 2nd TIN notice

THE NORTHERN TRUST COMPANY
 P.O. BOX 803878
 CHICAGO, IL 60680

2010 Proceeds from Broker and Barter Exchange Transactions

Sales are listed at Gross Proceeds less commissions and option premiums

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld
Short Term Sales								
25 0000	38141G104	GOLDMAN SACHS GROUP INC	07/10/2009	05/24/2010	3,424 94	3,591 00	-166 06	0 00
321 0700	665162772	MFB NORTHERN FDS STK INDEX FD	06/03/2010	12/27/2010	4,999 00	4,395 45	603 55	0 00
Total Short Term Sales						7,986 45	437 49	0 00
Long Term 15% Sales								
25000 0000	637432CJ2	NATL RURAL UTILS COOP FIN CORP 5.7 DUE 01-15-2010 BEQ	02/12/1999	01/15/2010	25,000 00	24,938 25	61 75	0 00
25000 0000	035229CH4	ANHEUSER BUSCH COS 6% DUE 04-15-2011 04-15-2011/04-16-2001 BEQ	04/12/2002	02/23/2010	26,292 50	25,311 50	981 00	0 00
639 3900	722005667	PIMCO COMMODITY REALRETURN STRATEGY FUND	03/25/2009	05/10/2010	5,000 00	4,079 30	920 70	0 00
4392 3900	665162509	MFB NORTHERN FDS INTL GROWTH EQUITY FD FUND	02/23/1999	05/24/2010	30,000 00	52,899 90	-22,899 90	0 00
100 0000	054303102	AVON PRODS INC	09/02/2004	12/30/2010	2,899 95	4,490 44	-1,590 49	0 00
50 0000	337738108	FISERV INC	02/01/2001	12/30/2010	2,945 45	1,764 59	1,180 86	0 00
100 0000	441060100	HOSPIRA INC	09/02/2004	12/30/2010	5,565 91	2,765 00	2,800 91	0 00
146 3100	665162475	MFB NORTHERN FDS MULTI-MANAGER GLOBAL REALESTATE FD	07/23/2009	12/30/2010	2,600 01	2,143 51	456 50	0 00
Total Long Term 15% Sales						118,392 49	-18,088 67	0 00

This is important tax information and is being furnished to you.