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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

Department of the Treasury
Internal Revenue Service

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

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

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 GATES CHARITABLE TRUST C/O JOHN GATES, JR.		A Employer identification number 36-7193328
Number and street (or P O box number if mail is not delivered to street address) 410 N. MICHIGAN AVENUE	Room/suite 333	B Telephone number (312) 578-1600
City or town, state, and ZIP code CHICAGO, IL 60611		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 6,348,646.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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)
1 Contributions, gifts, grants, etc., received		0.		N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		800.	800.		STATEMENT 1
4 Dividends and interest from securities		47,161.	47,161.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		79,638.			
b Gross sales price for all assets on line 6a 350,323.					
7 Capital gain net income (from Part IV, line 2)			79,638.		
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		10,975.	525.		STATEMENT 3
12 Total. Add lines 1 through 11		138,574.	128,124.		
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					
c Other professional fees					
17 Interest					
18 Taxes		2,541.	2,526.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		12,218.	0.		12,218.
22 Printing and publications					
23 Other expenses		23,979.	22,339.		1,640.
24 Total operating and administrative expenses. Add lines 13 through 23		38,738.	24,865.		13,858.
25 Contributions, gifts, grants paid		559,800.			559,800.
26 Total expenses and disbursements. Add lines 24 and 25		598,538.	24,865.		573,658.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-459,964.			
b Net investment income (if negative, enter -0-)			103,259.		
c Adjusted net income (if negative, enter -0-)				N/A	

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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		203,598.	142,643.	142,643.
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock STMT 6	620,001.	619,465.	272,465.	
	c	Investments - corporate bonds				
Liabilities	11	Investments - land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation ▶				
	12	Investments - mortgage loans				
	13	Investments - other STMT 7	5,502,930.	5,118,457.	5,933,538.	
	14	Land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation ▶				
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers)	6,326,529.	5,880,565.	6,348,646.	
	17	Accounts payable and accrued expenses				
	18	Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶ CHECKS IN TRANSIT)	34,500.	48,500.		
23	Total liabilities (add lines 17 through 22)	34,500.	48,500.			
Foundations that follow SFAS 117, check here <input type="checkbox"/>	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>	27	Capital stock, trust principal, or current funds	0.	0.	
		28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
		29	Retained earnings, accumulated income, endowment, or other funds	6,292,029.	5,832,065.	
		30	Total net assets or fund balances	6,292,029.	5,832,065.	
	31	Total liabilities and net assets/fund balances	6,326,529.	5,880,565.		

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	6,292,029.
2	Enter amount from Part I, line 27a	2	-459,964.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	5,832,065.
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	5,832,065.

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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			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 350,323.		479,569.	79,638.

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			79,638.

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	79,638.
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	402,367.	5,445,555.	.073889
2008	455,589.	7,816,419.	.058286
2007	464,153.	8,893,449.	.052190
2006	450,830.	8,548,773.	.052736
2005	116,225.	2,600,817.	.044688

2 Total of line 1, column (d)	2	.281789
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	.056358
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	6,027,354.
5 Multiply line 4 by line 3	5	339,690.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,033.
7 Add lines 5 and 6	7	340,723.
8 Enter qualifying distributions from Part XII, line 4	8	573,658.

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.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,033.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,033.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,033.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	6,809.	
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	6,809.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,776.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 5,776. Refunded <input type="checkbox"/>	11	0.	

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
b 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
c 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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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) <input checked="" type="checkbox"/> 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

N/A

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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)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		X	
Website address ► <u>N/A</u>				
14	The books are in care of ► <u>JOHN GATES, JR.</u>	Telephone no. ►	<u>(312) 578-1600</u>	
	Located at ► <u>410 N. MICHIGAN AVENUE, SUITE 333, CHICAGO, IL</u>	ZIP+4 ►	<u>60611</u>	
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?		16	Yes No X
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►				

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

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

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

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No
Organizations relying on a current notice regarding disaster assistance check here ☐ N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No
If "Yes," attach the statement required by Regulations section 53.4945-5(d). ☐ N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JOHN S. GATES, JR. 410 N. MICHIGAN AVENUE, SUITE 333 CHICAGO, IL 60611	TRUSTEE 2.00	0.	0.	0.

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(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	
	0.
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.

	Amount
1 N/A	
	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	5,648,946.
b	Average of monthly cash balances	1b	470,195.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,119,141.
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	6,119,141.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	91,787.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,027,354.
6	Minimum investment return. Enter 5% of line 5	6	301,368.

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	301,368.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,033.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,033.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	300,335.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	300,335.
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	300,335.

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	573,658.
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	573,658.
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	1,033.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	572,625.

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.

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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				300,335.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006	65,876.			
c From 2007	32,733.			
d From 2008	65,772.			
e From 2009	130,562.			
f Total of lines 3a through e	294,943.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 573,658.				
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				300,335.
e Remaining amount distributed out of corpus	273,323.			
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	568,266.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	568,266.			
10 Analysis of line 9:				
a Excess from 2006	65,876.			
b Excess from 2007	32,733.			
c Excess from 2008	65,772.			
d Excess from 2009	130,562.			
e Excess from 2010	273,323.			

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N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

- b 85% of line 2a**

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- Subtract line 2d from line 2c

- 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**

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).)

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.

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

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

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

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

- c Any submission deadlines:**

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

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

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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	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c	FROM K-1: SKYLAND QUEST	P	VARIOUS	12/31/10
d	FROM K-1: SKYLAND QUEST	P	VARIOUS	12/31/10
e	FROM K-1: SKYLAND QUEST - SECTION 1256	P	VARIOUS	12/31/10
f	FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE PORTPOLI	P	VARIOUS	12/31/10
g	FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE PORTPOLI	P	VARIOUS	12/31/10
h	68.0772 UNITS OF KINETICS INC	P	04/30/06	06/01/10
i	411.491716 UNITS OF KINETICS INC	P	04/30/06	08/01/10
j	CAPITAL GAINS DIVIDENDS			
k				
l				
m				
n				
o				

(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			66,665.
b			110,393.
c			6,570.
d			15,211.
e			3,087.
f			-2,861.
g			9,819.
h	50,000.	68,077.	-18,077.
i	300,000.	411,492.	-111,492.
j	323.		323.
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			66,665.
b			110,393.
c			6,570.
d			15,211.
e			3,087.
f			-2,861.
g			9,819.
h			-18,077.
i			-111,492.
j			323.
k			
l			
m			
n			
o			

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	79,638.
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

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CUSTODY ACCOUNTS	204.
FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO	8.
FROM K-1: SKYLANDS QUEST LLC	588.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	800.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CUSTODY ACCOUNTS	37,522.	323.	37,199.
FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO	7,958.	0.	7,958.
FROM K-1: SKYLANDS QUEST LLC	2,004.	0.	2,004.
TOTAL TO FM 990-PF, PART I, LN 4	47,484.	323.	47,161.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROM K-1: SKYLANDS QUEST LLC - ROYALTIES	256.	256.	
FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO- OTHER INCOME	89.	89.	
COMMISSION RECAPTURE	180.	180.	
CUSTODY ACCOUNTS NON-TAXABLE DIVIDEND	10,450.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	10,975.	525.	

FORM 990-PF	TAXES		STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FROM K-1: JANUS INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO - FOREIGN	146.	146.		0.
FROM K-1: SKYLANDS QUEST LLC - FOREIGN TAX PAID	9.	9.		0.
CUSTODY ACCOUNTS - FOREIGN TAX PAID	2,371.	2,371.		0.
ILLINOIS ANNUAL REPORTING FEE	15.	0.		0.
TO FORM 990-PF, PG 1, LN 18	2,541.	2,526.		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
CUSTODY ACCOUNTS - CUSTODY FEES	1,998.	1,998.		0.
CUSTODY ACCOUNTS - ADVISORY FEES	8,832.	8,832.		0.
FROM K-1 JANUS INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO - ADVISORY FEES	6,426.	6,426.		0.
FROM K-1: SKYLANDS QUEST LLC - INVESTMENT INT EXP	271.	271.		0.
CUSTODY ACCOUNTS - MISC FEES FROM K-1: JANUS	1,780.	140.		1,640.
INSTITUTIONAL AGGRESSIVE GROWTH PORTFOLIO - OTHER	1,683.	1,683.		0.
FROM K-1: SKYLANDS QUEST LLC - OTHER DEDUCTIONS	2,989.	2,989.		0.
TO FORM 990-PF, PG 1, LN 23	23,979.	22,339.		1,640.

FORM 990-PF	CORPORATE STOCK	STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
DCT INDUSTRIALS	619,465.	272,465.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	619,465.	272,465.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HUSSMAN STRATEGIC GROWTH	FMV	119,888.	109,278.
JOHNSTON ASSET MANAGEMENT	FMV	664,461.	675,258.
EAGLE ASSET MANAGEMENT	FMV	185,823.	275,426.
GREAT LAKES ADVISORS	FMV	0.	0.
KINETICS PARTNERS	FMV	120,400.	113,095.
JANUS AGGRESSIVE GROWTH	FMV	800,293.	913,156.
SKYLANDS QUEST	FMV	253,444.	364,865.
ELLIOTT ASSOCIATES	FMV	1,000,000.	1,309,174.
AMANA	FMV	257,782.	290,817.
SOUND SHORE	FMV	0.	0.
FRONTEGRA NETOLS	FMV	277,331.	355,719.
ARBITRAGE	FMV	15,568.	15,255.
CGM FOCUS	FMV	0.	0.
IVY ASSET STRATEGY	FMV	83,776.	90,828.
MERGER FUND	FMV	14,963.	15,315.
PERMANENT PORTFOLIO	FMV	69,362.	81,541.
FMI	FMV	375,896.	407,345.
WINTON FUTURES	FMV	325,000.	352,110.
TEMPLETON	FMV	500,000.	506,334.
JORDAN OPPORTUNITY	FMV	54,470.	58,022.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,118,457.	5,933,538.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
LINCOLN PARK ZOO - ZOO BALL PO BOX 14903 CHICAGO, IL 60615	NONE CONSERVATION/CARE FOR ANIMALS	PUBLIC	500.
MEMORIAL SLOAN-KETTERING CANCER CENTER 1275 YORK AVENUE NEW YORK, NY 10065	NONE HEALTHCARE/SUPPORT SERVICES	PUBLIC	500.
CHILDREN'S MEMORIAL FOUNDATION 2300 CHILDREN'S PLAZA, BOX 4 CHICAGO, IL 60614	NONE HOSPITAL IMPROVEMENT	PUBLIC	150,000.
ST. CHRYSOSTOM'S CHURCH 1424 N. DEARBORN PKWY CHICAGO, IL 60610	NONE RELIGIOUS	PUBLIC	25,000.
METROPOLITAN PLANNING COUNCIL 25 E. WASHINGTON ST. SUITE 1600 CHICAGO, IL 60602	NONE IMPROVE QUALITY OF LIFE IN CHICAGO METRO AREA	PUBLIC	10,000.
THE LATIN SCHOOL - CAPTIAL CAMPAIGN 59 W. NORTH BLVD CHICAGO, IL 60610	NONE EDUCATION	PUBLIC	50,000.
THE CHICAGO LIGHTHOUSE 1850 WEST ROOSEVELT RD CHICAGO, IL 60608	NONE IMPROVE QUALITY OF LIFE FOR BLIND	PUBLIC	5,000.
TOWN OF DUNE ACRES 10 SHORE SR CHESTERTON, IN 46304	NONE EDUCATION	PUBLIC	500.

GROTON SCHOOL ANNUAL FUND PO BOX 991 GORDON, MA 01450	NONE EDUCATION	PUBLIC	5,000.
RUSH NEUROBEHAVIORIAL CENTER 1525 N. STATE PARKWAY CHICAGO, IL 60610	NONE HEALTHCARE/SUPPORT SERVICES	PUBLIC	25,000.
HARRIS SCHOOL ANNUAL FUND 1155 E. 60TH ST CHICAGO, IL 60637	NONE EDUCATION	PUBLIC	5,000.
TRINITY COLLEGE FUND 300 SUMMIT ST HARTFORD, CT 06106	NONE EDUCATION	PUBLIC	50,000.
TRINITY COLLEGE FUND 300 SUMMIT ST HARTFORD, CT 06106	NONE EDUCATION	PUBLIC	20,000.
SALISBURY SCHOOL ANNUAL FUND 251 CANNAAN ROAD SALISBURY, CT 06068	NONE EDUCATION	PUBLIC	20,000.
SALISBURY SCHOOL CAPITAL FUND 251 CANNAAN ROAD SALISBURY, CT 06068	NONE EDUCATION	PUBLIC	50,000.
ULI FOUNDATION 1700 W. IRVING PARK RD. SUITE 208 CHICAGO, IL 60613	NONE EDUCATION	PUBLIC	10,000.
EAGLEBROOK SCHOOL ANNUAL FUND PINE NOOK ROAD DEERFIELD, MA 01342	NONE EDUCATION	PUBLIC	5,000.
ST. ANTHONY TRUST OF HARTFORD P.O BOX 876 ITHACA, NY 14851	NONE ENDOWMENT	PUBLIC	1,000.

UNIVERSITY LIGGETT SCHOOL ANNUAL FUND 1045 COOK RD. GROSS PTE WOODS, MI 48236	NONE EDUCATION	PUBLIC	500.
AFTER SCHOOL MATTERS 66 EAST RANDOLPH CHICAGO, IL 60601	NONE EDUCATION	PUBLIC	10,000.
MIDWEST PALLIATIVE & HOSPICE CARECENTER 2050 CLAIRE COURT GLENVIEW, IL 60025	NONE IN MEMORY OF ANNE P. MCGARRY	PUBLIC	500.
GILDA'S CLUB CHICAGO 537 NORTH WELLS ST CHICAGO, IL 60610	NONE AGENTS OF HOPE BENEFIT	PUBLIC	5,000.
RED HOT GALA 4241 W. WASHINGTON BLVD CHICAGO, IL 60624	NONE CENTER FOR WOMEN AND CHILDREN	PUBLIC	2,500.
ILLINIOUS SPECIAL OLYMPICS 541 N. FAIRBANKS CT CHICAGO, IL 60611	NONE SPECIAL OLYMPICS	PUBLIC	250.
UNC LCCC 101 MANNING DRIVE CHAPEL HILL, NC 27514	NONE HEALTHCARE/SUPPORT SERVICES	PUBLIC	50.
U.S. SKI & SNOWBOARD TEAM FOUNDATION 1 VICTORY LANE PARK CITY, UT 84060	NONE 9K IS DEDUCTIBLE	PUBLIC	9,000.
ULI CHICAGO 1700 W. IRVING PARK RD. SUITE 208 CHICAGO, IL 60613	NONE EDUCATION	PUBLIC	25,000.
CHICAGO CITY DAY SCHOOL ANNUAL FUND 541 W. HAWTHORNE PL CHICAGO, IL 60657	NONE EDUCATION	PUBLIC	20,000.

CHICAGO INTERNATIONAL CHARTER SCHOOL 228 SOUTH WABASH AVE CHICAGO, IL 60606	NONE EDUCATION	PUBLIC	10,000.
CHILDREN'S MEMORIAL HOSPITAL 2300 CHILDREN'S PLAZA, BOX 4 CHICAGO, IL 60614	NONE HEALTHCARE/SUPPORT SERVICES	PUBLIC	15,000.
DUNE ACRES CIVIL IMPROVEMENTS FOUNDATION 10 SHORE SR CHESTERTON, IN 46304	NONE CIVIC IMPROVEMENTS	PUBLIC	1,000.
FRANK LENTZ FOUNDATION 8044 KARLOV AVE SKOKIE, IL 46304	NONE CAMP RESTORATION	PUBLIC	1,000.
NORTHWESTERN UNIVERSITY LIBRARY FUND 1970 CAMPUS DRIVE EVANSTON, IL 60208	NONE EDUCATION	PUBLIC	2,000.
OUNCE OF PREVENTION FUND 33 W. MONROE CHICAGO, IL 60208	NONE MEDICAL/HEALTHCARE SUPPORT	PUBLIC	10,000.
RAINBOWS 2100 GOLF ROAD ROLLING MEADOWS, IL 60008	NONE HEALTHCARE/SUPPORT SERVICES	PUBLIC	2,500.
SALVATION ARMY 615 SLATERS LANE ALEXANDRIA, VA 22313	NONE POVERTY RELIEF	PUBLIC	2,000.
FRANK LENTZ FOUNDATION 8044 KARLOV AVE SKOKIE, IL 60076	NONE EDUCATION	PUBLIC	1,000.
MILL REEF FUND PO BOX 133 MILL REEF, ANTIGUA & BARBUDA	NONE CONSERVATION OF WILDLIFE	PUBLIC	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			559,800.