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

2010

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

RATH FOUNDATION, INC.

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

P.O. BOX 1990

A Employer identification number

39-1657654

City or town, state, and ZIP code

JANESVILLE, WI 53547

H Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year J Accounting method: Cash Accrual
(from Part II, col. (c), line 16) Other (specify) *28,465,568.* (Part I, column (d) must be on cash basis)

B Telephone number

(608) 754-9090

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 ►

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			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	25,333.	25,333.		STATEMENT 1
4	Dividends and interest from securities	676,260.	676,260.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-130,203.			
b	Gross sales price for all assets on line 6a	12,767,851.			
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	3,294.	3,034.		STATEMENT 3
12	Total Add lines 1 through 11	574,684.	704,627.		
		45,000.	33,750.		11,250.
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees	STMT 4	23,702.	17,777.	5,925.
c	Other professional fees	STMT 5	140,687.	130,515.	10,172.
17	Interest				
18	Taxes	STMT 6	9,801.	7,350.	2,451.
19	Depreciation and depletion		30.	23.	
20	Occupancy		24,721.	18,541.	6,180.
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	STMT 7	2,039.	1,529.	510.
24	Total operating and administrative expenses Add lines 13 through 23		245,980.	209,485.	36,488.
25	Contributions, gifts, grants paid		3,271,943.		3,372,035.
26	Total expenses and disbursements Add lines 24 and 25		3,517,923.	209,485.	3,408,523.
27	Subtract line 26 from line 12:		-2,943,239.		
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative enter -0-)		495,142.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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	12,800.	6,234.	6,234.
	2	Savings and temporary cash investments	321,528.	1,058,714.	1,058,714.
	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	8,900.	8,900.	8,900.
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock			
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other	STMT 9	28,620,240.	27,325,671.
	14	Land, buildings, and equipment basis ►	140,987.		
		Less accumulated depreciation ►	88,491.	52,527.	52,496.
	15	Other assets (describe ►	STATEMENT 10)	40,176.	13,553.
	16	Total assets (to be completed by all filers)		29,056,171.	28,465,568.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable		2,741,796.	2,641,704.
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ►)		
	23	Total liabilities (add lines 17 through 22)		2,741,796.	2,641,704.
Net Assets or Fund Balances	24	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31			
	25	Unrestricted		26,314,375.	25,823,864.
	26	Temporarily restricted			
	27	Permanently restricted			
	28	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/>			
		and complete lines 27 through 31			
	29	Capital stock, trust principal, or current funds			
	30	Paid-in or capital surplus, or land, bldg., and equipment fund			
	31	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances		26,314,375.	25,823,864.
	31	Total liabilities and net assets/fund balances		29,056,171.	28,465,568.

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	26,314,375.
2	Enter amount from Part I, line 27a	2	-2,943,239.
3	Other increases not included in line 2 (itemize) ►	3	2,452,728.
4	Add lines 1, 2, and 3	4	25,823,864.
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	25,823,864.

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 RBC - SEE ATTACHED					
b OTHER - SEE ATTACHED			P		
c CAPITAL GAINS FROM PASS-THROUGH					
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 12,760,225.		12,601,298.		158,927.	
b 7,626.				7,626.	
c				-296,756.	
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a				158,927.	
b				7,626.	
c				-296,756.	
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		-130,203.
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	4,484,110.	27,170,179.	.165038
2008	4,025,407.	35,523,873.	.113316
2007	4,263,459.	46,856,312.	.090990
2006	4,120,131.	47,090,773.	.087493
2005	4,904,469.	47,387,634.	.103497

2 Total of line 1, column (d)

2 .560334

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 .112067

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4 28,303,041.

5 Multiply line 4 by line 3

5 3,171,837.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 4,951.

7 Add lines 5 and 6

7 3,176,788.

8 Enter qualifying distributions from Part XII, line 4

8 3,408,523.

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 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)	1	4,951.
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			
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-)			
3	Add lines 1 and 2			
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		6,043.
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		6,043.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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		1,092.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax ►	11		0.

Part VII-A Statements Regarding Activities

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?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>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</i>	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? <i>If "Yes," attach a detailed description of the activities</i>	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? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	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? <i>If "Yes," complete Part II, col (c), and Part XV.</i>	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► WI		
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? <i>If "No," attach explanation</i>	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(p)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	X	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	X	

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Part VII-A Statements Regarding Activities (continued)

11		X
12		X
13	X	
14	The books are in care of ► JAMES DODSON Located at ► P.O. BOX 1990, JANESVILLE, WI	Telephone no. ► 608-754-9090 ZIP+4 ► 53547
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 ►	Yes No 16 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?	<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	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?	<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

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?

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
JAMES D. DODSON 3140 BOX CANYON RD SANTA YNEZ, CA 93460	PRESIDENT 1.00	20,000.	0.	0.
JAMES R. SANGER P.O. BOX 1990 JANESVILLE, WI 53547	VICE PRES. 15.00	45,000.	0.	0.
KATE M. FLEMING 100 E. WISCONSIN AVE MILWAUKEE, WI 53202	SECRETARY 1.00	20,000.	0.	0.
ROBERT DODSON 16111 CANARY AVE LA MIRADA, CA 90638	VICE PRES. 1.00	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
JAMES D. DODSON 3140 BOX CANYON RD, SANTA YNEZ, CA 93460	CONSULTING	100,000.

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**

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		
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	27,668,702.
b Average of monthly cash balances	1b	699,638.
c Fair market value of all other assets	1c	365,712.
d Total (add lines 1a, b, and c)	1d	28,734,052.
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	28,734,052.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	431,011.
5 Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	28,303,041.
6 Minimum investment return Enter 5% of line 5	6	1,415,152.

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	1,415,152.
2a Tax on investment income for 2010 from Part VI, line 5	2a	4,951.
b Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	4,951.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	1,410,201.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	1,410,201.
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	1,410,201.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	1a	3,408,523.
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1b	0.
b Program-related investments - total from Part IX-B	2	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3 Amounts set aside for specific charitable projects that satisfy the:	3b	
a Suitability test (prior IRS approval required)	4	3,408,523.
b Cash distribution test (attach the required schedule)	5	4,951.
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	3,403,572.
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		
6 Adjusted qualifying distributions Subtract line 5 from line 4		

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				1,410,201.
2 Undistributed income, if any, as of the end of 2010			0.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	2,562,363.			
b From 2006	1,833,985.			
c From 2007	1,972,231.			
d From 2008	2,264,139.			
e From 2009	3,137,687.			
f Total of lines 3a through e	11,770,405.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 3,408,523.			0.	
a Applied to 2009, but not more than line 2a				
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				1,410,201.
e Remaining amount distributed out of corpus	1,998,322.			
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:	13,768,727.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5			0.	
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	2,562,363.			
9 Excess distributions carryover to 2011 Subtract lines 7 and 8 from line 6a	11,206,364.			
10 Analysis of line 9:				
a Excess from 2006	1,833,985.			
b Excess from 2007	1,972,231.			
c Excess from 2008	2,264,139.			
d Excess from 2009	3,137,687.			
e Excess from 2010	1,998,322.			

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)					
2 a	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

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:

JAMES DODSON, 608-754-9090

P.O. BOX 1990, JANESEVILLE, WI 53547

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

WRITTEN APPLICATION TO ABOVE ADDRESS. NO FORMAL APPLICATION AT THIS TIME.

c. Any submission deadlines:

NONE

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

THE ORGANIZATION IS ORGANIZED AND SHALL OPERATE EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, LITERARY, AND/OR EDUCATIONAL PURPOSES.

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)				
<i>a Paid during the year</i>				
<i>b Approved for future payment</i>				
SEE STATEMENT 11				
Total				► 3a 3,372,035.
<i>b Approved for future payment</i>				
NONE				
Total				► 3b 0.

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
	(a) Business code	(b) Amount	(c) Exclu- sion 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					
4 Dividends and interest from securities					
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					3,294.
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		571,390.	3,294.
13 Total Add line 12, columns (b), (d), and (e)				13	574,684.
(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).
3,4	INVESTMENT INCOME EARNED IS USED BY THE FOUNDATION TO MAKE
7,8	ADDITIONAL CONTRIBUTIONS.

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

SOURCE	AMOUNT
INTEREST INCOME	25,333.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	25,333.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	676,260.	0.	676,260.
TOTAL TO FM 990-PF, PART I, LN 4	676,260.	0.	676,260.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME FROM PARTNERSHIPS	3,294.	3,034.	
TOTAL TO FORM 990-PF, PART I, LINE 11	3,294.	3,034.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	23,702.	17,777.		5,925.
TO FORM 990-PF, PG 1, LN 16B	23,702.	17,777.		5,925.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOARD OF DIRECTOR FEES	40,000.	30,000.		10,000.
CONSULTING FEES	100,000.	100,000.		0.
BANK FEES	687.	515.		172.
TO FORM 990-PF, PG 1, LN 16C	140,687.	130,515.		10,172.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES	3,443.	2,582.		861.
FOREIGN TAXES	479.	359.		120.
FEDERAL EXCISE TAX	5,879.	4,409.		1,470.
TO FORM 990-PF, PG 1, LN 18	9,801.	7,350.		2,451.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	1,316.	987.		329.
FREIGHT/POSTAGE	723.	542.		181.
TO FORM 990-PF, PG 1, LN 23	2,039.	1,529.		510.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
INCREASE OF INVESTMENTS TO MARKET VALUE	2,452,728.
TOTAL TO FORM 990-PF, PART III, LINE 3	2,452,728.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ANTIQUES	COST	91,300.	91,300.
INVESTMENT IN 4-G INVESTMENT GROUP	COST	57,353.	57,353.
PARTNERSHIP		27,172,534.	27,172,534.
DAIN RAUSCHER FUNDS	FMV	4,484.	4,484.
WILC PARTNERSHIP	COST		
TOTAL TO FORM 990-PF, PART II, LINE 13		27,325,671.	27,325,671.

FORM 990-PF	OTHER ASSETS	STATEMENT	10
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PREPAID INCOME TAXES	4,061.	3,071.	3,071.
INCOME TAX RECEIVABLE	36,115.	0.	0.
ACCRUED INTEREST RECEIVABLE	0.	10,482.	10,482.
TO FORM 990-PF, PART II, LINE 15	40,176.	13,553.	13,553.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 11

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BELOIT COLLEGE 700 COLLEGE ST BELOIT, WI 53511	N/A GENERAL PURPOSE	PUBLIC CHARITY	100,000.
COMMUNITY FOUNDATION OF NORTH CENTRAL WISCONSIN 500 FIRST ST STE 2600 WAUSAU, WI 54403	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN INC. 26 SOUTH JACKSON ST JANEVILLE, WI 53548	N/A RATH FAMILY MERIT SCHOLARSHIP FUND	PUBLIC CHARITY	183,000.
LEUKEMIA AND LYMPHOMA SOCIETY 200 SOUTH EXECUTIVE DR #203 BROOKFIELD, WI 53005	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
MEDICAL COLLEGE OF WISCONSIN 8701 WATERTOWN PLANK ROAD MILWAUKEE, WI 53226	N/A GENERAL PURPOSE	PUBLIC CHARITY	304,106.
POTOWATAMI AREA BOY SCOUTS 804 BLUEMOUND RD WAUKESHA, WI 53188	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
SOUTHWEST YMCA 11311 W HOWARD AVE GREENFIELD, WI 53228	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
SPECIAL OLYMPICS WISCONSIN 5900 MONONA DR STE 301 MADISON, WI 53716	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.

RATH FOUNDATION, INC.

39-1657654

ST. FRANCIS CHILDREN'S CENTER 6700 NORTH PORT WASHINGTON RD GLENDALE, WI 53217	N/A GENERAL PURPOSE	PUBLIC CHARITY	50,000.
UNITED WAY 205 N MAIN ST STE 101 JANESVILLE, WI 53546	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
UNIVERSITY OF CHICAGO FOUNDATION 5801 SOUTH ELLIS AVE CHICAGO, IL 60637	N/A GENERAL PURPOSE	PUBLIC CHARITY	395,078.
UNIVERSITY OF OKLAHOMA FOUNDATION 100 TIMBERDELL RD NORMAN, OK 73019	N/A GENERAL PURPOSE	PUBLIC CHARITY	395,078.
UNIVERSITY OF WISCONSIN CARBONE CANCER CENTER 600 HIGHLAND AVE MADISON, WI 53792	N/A GENERAL PURPOSE	PUBLIC CHARITY	10,000.
USC MARSHALL SCHOOL OF BUSINESS USC CITIGROUP CENTER LOS ANGELES, CA 90089	N/A GENERAL PURPOSE	PUBLIC CHARITY	121,585.
WI FOUNDATION FOR INDEPENDENT COLLEGES 4425 NORTH PORT WASHINGTON RD GLENDALE, WI 53212	N/A GENERAL PURPOSE	PUBLIC CHARITY	425,691.
GILDRED YMCA 900 N REFUGIO ROAD SANTA YNEZ, CA 93460	N/A GENERAL PURPOSE	PUBLIC CHARITY	100,000.
UNITY IN MOTION P.O. BOX 511131 MILWAUKEE, WI 53203	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
UW EAU CLAIRE FOUNDATION - 214 SCHOFIELD HALL, 105 GARFIELD AVE., PO BOX 4004 EAU CLAIRE, WI 54702	N/A GENERAL PURPOSE	PUBLIC CHARITY	60,937.

RATH FOUNDATION, INC.

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UW FOUNDATION - GRADUATE BUSINESS 1848 UNIVERSITY AVENUE MADISON, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	153,985.
UW FOUNDATION - L&S 1848 UNIVERSITY AVENUE MADISON, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	153,985.
UW FOUNDATION - LAW SCHOOL 1848 UNIVERSITY AVENUE MADISON, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	153,985.
UW FOUNDATION - MEDICAL SCHOOL 1848 UNIVERSITY AVENUE MADISON, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	306,126..
UW FOUNDATION - UNDERGRADUATE BUSINESS 1848 UNIVERSITY AVENUE MADISON, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	153,985.
UW MILWAUKEE 2200 E. KENWOOD BLVD. MILWAUKEE, WI 53726	N/A GENERAL PURPOSE	PUBLIC CHARITY	142,909.
UW STOUT 712 SOUTH BROADWAY ST. MENOMONIE, WI 54751	N/A GENERAL PURPOSE	PUBLIC CHARITY	60,937.
UW WHITEWATER FOUNDATION 800 WEST MAIN STREET WHITEWATER, WI 53190	N/A GENERAL PURPOSE	PUBLIC CHARITY	60,648.
WFH ST. JOSEPH FOUNDATION 400 W. RIVER WOODS PARKWAY GLENDALE, WI 53212	N/A GENERAL PURPOSE	PUBLIC CHARITY	5,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>3,372,035.</u>

The Rath Foundation, Inc.
 Gain (Loss) Summary - Tax
 Tax Year 2010
 FEIN. 39-1657654

Description	Date Acqd	Date Sold	Sales Price	Cost	Gain (Loss)
<u>Dain Rauscher Account</u>					
2,000,000 sh Countrywide Home Loan	9/15/2010	10/25/2010	5,028.80	4,953.37	75.43
2,000,000 sh Countrywide Home Loan	9/15/2010	11/25/2010	3,443.70	3,392.04	51.66
2,000,000 sh Countrywide Home Loan	9/15/2010	12/25/2010	6,241.31	6,147.70	93.61
806,000 sh CSFB Mortgage-backed Pass-through	9/7/2010	10/25/2010	4,403.68	4,398.17	5.51
806,000 sh CSFB Mortgage-backed Pass-through	9/7/2010	11/25/2010	4,425.53	4,420.00	5.53
806,000 sh CSFB Mortgage-backed Pass-through	9/7/2010	12/25/2010	4,447.49	4,441.93	5.56
60,100 sh Ishares Trust MSCI EAFE Index Fund	1/7/2010	12/21/2010	3,459,196.67	3,409,448.95	49,747.72
13,000 sh Ishares Trust MSCI Emerging Markets	8/12/2009	12/10/2010	603,053.79	464,665.69	138,388.10
8,000 sh Oil Svc Holdrs Tr	10/2/2008	8/26/2010	1,169.82	1,169.82	-
8,000 sh Oil Svc Holdrs Tr	10/2/2008	11/22/2010	232.60	232.60	-
4,125 sh SPDR S&P 500 ETF	11/7/2003	12/10/2010	511,368.00	438,820.80	72,547.20
1,500 sh SPDR S&P 500 ETF	1/12/2004	9/15/2010	169,615.32	169,110.90	504.42
3,500 sh SPDR S&P 500 ETF	1/12/2004	9/15/2010	395,769.08	394,592.10	1,176.98
660 sh SPDR S&P 500 ETF	1/12/2004	12/7/2010	81,072.63	74,408.80	6,663.83
3,840 sh SPDR S&P 500 ETF	1/12/2004	12/7/2010	471,695.31	432,923.90	38,771.41
500 sh SPDR S&P 500 ETF	1/12/2004	12/7/2010	61,418.66	56,370.30	5,048.36
5,000 sh SPDR S&P 500 ETF	1/29/2004	9/7/2010	548,493.70	569,156.00	(20,662.30)
2,375 sh SPDR S&P 500 ETF	2/25/2004	1/7/2010	270,153.80	272,556.42	(2,402.62)
4,660 sh SPDR S&P 500 ETF	2/25/2004	3/3/2010	524,570.42	534,784.40	(10,213.98)
2,965 sh SPDR S&P 500 ETF	2/25/2004	3/3/2010	333,766.37	340,265.18	(6,498.81)
4,125 sh SPDR S&P 500 ETF	5/7/2004	12/7/2010	506,703.95	460,146.22	46,557.73
5,875 sh SPDR S&P 500 ETF	5/7/2004	12/10/2010	728,312.00	655,359.78	72,952.22
2,375 sh SPDR S&P 500 ETF	6/29/2004	3/3/2010	267,350.81	270,327.25	(2,976.44)
625 sh SPDR S&P 500 ETF	6/29/2004	9/7/2010	68,561.71	71,138.75	(2,577.04)
375 sh SPDR S&P 500 ETF	10/8/2004	9/7/2010	41,137.03	42,214.20	(1,077.17)
625 sh SPDR S&P 500 ETF	10/4/2004	12/7/2010	76,773.33	70,357.00	6,416.33
250 sh SPDR S&P 500 ETF	10/18/2004	12/7/2010	30,709.33	28,142.80	2,566.53
4,000 sh SPDR S&P 500 ETF	10/29/2004	9/7/2010	438,794.96	452,966.00	(14,171.04)
125 sh SPDR S&P 500 ETF	2/24/2005	1/7/2010	14,218.62	15,014.88	(796.26)
22,500 sh SPDR S&P 500 ETF	10/6/2005	1/7/2010	2,559,351.83	2,698,657.50	(139,305.67)
5,000 sh SPDR S&P 500 ETF	8/15/2008	1/7/2010	568,744.85	650,715.00	(81,970.15)
			12,760,225.10	12,601,298.45	158,926.65
<u>Other</u>					
AOL Litigation	Various	1/11/2010	751.47	0.00	751.47
Dutch Inv Litigation	Various	2/4/2010	1,056.90	0.00	1,056.90
Metis Litigation	Various	3/25/2010	661.80	0.00	661.80
Tenant Litigation	Various	4/1/2010	332.90	0.00	332.90
WorldCom Litigation	Various	4/26/2010	4,600.25	0.00	4,600.25
Tyco Litigation	Various	9/13/2010	222.25	0.00	222.25
			7,625.57	0.00	7,625.57
<u>Capital Gains from Pass-Throughs</u>					
WILC/Ashwaubenon K-1 (LT)					(108,377.00)
4-G Investment Group K-1 (LT)					(188,858.00)
4-G Invesment Group K-1 (1231 Gain)					479.00
					(296,756.00)
TOTAL					(130,203.78)