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

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

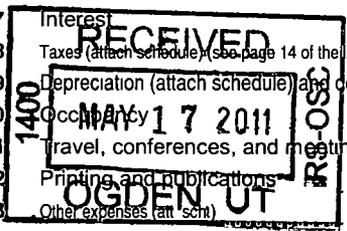
G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Name of foundation Williams Family Foundation, Inc.		A Employer identification number 39-1865458
Number and street (or P O box number if mail is not delivered to street address) P.O. Box 8100		B Telephone number (see page 10 of the instructions) 815-389-0328
City or town, state, and ZIP code Janesville WI 53547		C If exemption application is pending, check here <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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 290,588	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> 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) (see page 11 of the instructions))

	(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 (attach schedule)				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	2,300	2,300		
4 Dividends and interest from securities	3,607	3,607		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	32,122			
b Gross sales price for all assets on line 6a 301,385				
7 Capital gain net income (from Part IV, line 2)		32,122		
8 Net short-term capital gain			0	
9 Income modifications				
10a Gross sales less returns & allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) Stmt 1	1,003			
12 Total. Add lines 1 through 11	39,032	38,029	0	
13 Compensation of officers, directors, trustees, etc	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See Stmt 2	75			75
b Accounting fees (attach schedule) Stmt 3	820			820
c Other professional fees (attach schedule) Stmt 4	5,184	5,184		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 5	85	85		
19 Depreciation (attach schedule) and depletion				
20 Occasional use of private jet				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) Stmt 6	10			10
24 Total operating and administrative expenses. Add lines 13 through 23	6,174	5,269	0	905
25 Contributions, gifts, grants paid	40,965			40,965
26 Total expenses and disbursements. Add lines 24 and 25	47,139	5,269	0	41,870
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-8,107			
b Net investment income (if negative, enter -0-)		32,760		
c Adjusted net income (if negative, enter -0-)			0	

SCANNED MAY 23 2011
Operating and Administrative Expenses



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	7,854	24,986	24,986
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (att. schedule) ▶ Less: allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) See Stmt 7	190,776	186,571	208,203
	c Investments—corporate bonds (attach schedule) See Stmt 8	73,536	35,536	37,238
	11 Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
15 Other assets (describe ▶ See Statement 9)		14,878	20,161	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	272,166	261,971	290,588	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	272,166	261,971	
30 Total net assets or fund balances (see page 17 of the instructions)	272,166	261,971		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	272,166	261,971		

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	272,166
2 Enter amount from Part I, line 27a	2	-8,107
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	264,059
5 Decreases not included in line 2 (itemize) ▶ See Statement 10	5	2,088
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	261,971

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 Worksheet				
b				
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				
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2 32,122
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		[If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8]		3 28,820

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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	33,856	299,344	0.113101
2008	31,328	344,199	0.091017
2007	44,888	415,625	0.108001
2006	42,695	389,864	0.109513
2005	15,823	364,241	0.043441
2 Total of line 1, column (d)			2 0.465073
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.093015
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 277,156
5 Multiply line 4 by line 3			5 25,780
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 328
7 Add lines 5 and 6			7 26,108
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 on page 18			8 41,870

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	328
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	328
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	328
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
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	
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	328
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the 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 type="checkbox"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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 page 19 of the instructions) <input type="checkbox"/> 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? 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 on page 27)? 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

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 page 20 of the 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 ▶ Steven D. Williams 7348 Lone Cedar Trail Located at ▶ South Beloit IL ZIP+4 ▶ 61080 Telephone no ▶ 815-389-0110			
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			
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? <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 <input type="checkbox"/>	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? N/A	1c	
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 ▶ 20 , 20 , 20 , 20		
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 page 22 of the 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 ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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)? (see page 22 of the instructions) Yes No

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Yes No 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? Yes No N/A

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? Yes No **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? Yes No 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 (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Steven D. Williams 7348 Lone Cedar Tr South Beloit IL 61080	Pres/Treas 5.00	0	0	0
Linda M. Williams 7348 Lone Cedar Tr South Beloit IL 61080	VP/Secr 5.00	0	0	0
Christine M. Williams 633 Westport Rockton IL 61072	Director 5.00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

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

	Amount
1 N/A	
2	
3 All other program-related investments See page 24 of the instructions	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	264,957
b	Average of monthly cash balances	1b	16,420
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	281,377
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	281,377
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	4,221
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	277,156
6	Minimum investment return. Enter 5% of line 5	6	13,858

Part XI Distributable Amount (see page 25 of the 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	13,858
2a	Tax on investment income for 2010 from Part VI, line 5	2a	328
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	328
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	13,530
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	13,530
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	13,530

Part XII Qualifying Distributions (see page 25 of the 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	41,870
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	41,870
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	328
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	41,542

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				13,530
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006	24,860			
c From 2007	24,639			
d From 2008	14,148			
e From 2009	18,943			
f Total of lines 3a through e	82,590			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 41,870				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				13,530
e Remaining amount distributed out of corpus	28,340			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	110,930			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	110,930			
10 Analysis of line 9				
a Excess from 2006	24,860			
b Excess from 2007	24,639			
c Excess from 2008	14,148			
d Excess from 2009	18,943			
e Excess from 2010	28,340			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of 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))
N/A

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.
N/A

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 page 28 of the 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:
N/A

b The form in which applications should be submitted and information and materials they should include
See Statement 11

c Any submission deadlines:
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors.
See Statement 12

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 See Statement 13				40,965
Total			▶ 3a	40,965
b Approved for future payment N/A				
Total			▶ 3b	

Form **990-PF** **Capital Gains and Losses for Tax on Investment Income** **2010**
 For calendar year 2010, or tax year beginning , and ending

Name **Williams Family Foundation, Inc.** Employer Identification Number **39-1865458**

(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.)
(1) 373 Anglogold Ashanti	P	10/02/09	01/20/10
(2) 1241 Calamos	P	05/19/10	12/16/10
(3) 319 California Wtr Svc Grp	P	08/12/09	08/06/10
(4) 318 Concho Resources Inc	P	02/18/10	06/29/10
(5) 503 Dr Reddys Labs	P	05/19/10	07/21/10
(6) 237 Ishares TR S&P 1500	P	08/27/09	03/10/10
(7) 420 Ishares TR MSCI	P	03/16/09	01/22/10
(8) 375 Ishares S&P 100 indx	P	03/16/09	01/21/10
(9) 74 Ishares S&P/Citi	P	09/01/09	05/19/10
(10) 95 Ishares MSCI	P	12/14/09	01/21/10
(11) 150 Ishares DJ U S Oil & Gas	P	03/16/09	01/27/10
(12) 300 Ishares DJ U S Oil & Gas	P	03/18/09	01/27/10
(13) 23 Ishares DJ U S Oil & Gas	P	06/30/09	01/27/10
(14) 153 Powershares QQQ Trust	P	12/29/09	01/22/10
(15) 368 Powershares QQQ Trust	P	05/19/10	06/29/10

(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)
(1) 14,506		14,572	-66
(2) 15,020		14,967	53
(3) 11,092		12,550	-1,458
(4) 17,658		15,070	2,588
(5) 14,710		14,065	645
(6) 12,306		11,021	1,285
(7) 16,731		9,983	6,748
(8) 22,319		15,309	7,010
(9) 7,001		7,700	-699
(10) 5,228		5,295	-67
(11) 7,908		5,001	2,907
(12) 15,815		10,146	5,669
(13) 1,213		933	280
(14) 6,758		7,051	-293
(15) 16,140		16,949	-809

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

(i) FMV 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))
(1)			-66
(2)			53
(3)			-1,458
(4)			2,588
(5)			645
(6)			1,285
(7)			6,748
(8)			7,010
(9)			-699
(10)			-67
(11)			2,907
(12)			5,669
(13)			280
(14)			-293
(15)			-809

Form **990-PF** **Capital Gains and Losses for Tax on Investment Income** **2010**
 For calendar year 2010, or tax year beginning , and ending

Name **Williams Family Foundation, Inc.** Employer Identification Number **39-1865458**

(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)
(1) 120 PRSH Short S&P 500	P	09/11/09	05/19/10
(2) 100 PRSH Short S&P 500	P	09/11/09	05/19/10
(3) 52 PRSH Short S&P 500	P	09/18/09	05/19/10
(4) 103 PRSH Short S&P 500	P	04/22/10	05/19/10
(5) 70 Quest Diagnostics Inc	P	03/16/09	01/22/10
(6) 507 Riverbed Tech Inc	P	05/19/10	10/07/10
(7) 20 SPDR S&P 500	P	05/19/10	07/01/10
(8) 1082 US Natural Gas	P	11/16/09	01/27/10
(9) 74 Vngrd Short term	P	09/01/09	05/19/10
(10) 587 Xilinx Inc	P	02/18/10	08/13/10
(11) 353 Noble CRP Barr	P	03/01/10	03/25/10
(12) 130 Hormel Foods Corp	P	03/16/09	04/27/10
(13) 100 Ishares S&P 100	P	06/14/06	01/21/10
(14) 57 Ishrs brcly	P	07/28/09	12/14/10
(15) 39 Ishrs brcly	P	07/28/09	12/14/10

(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)
(1) 6,201		6,851	-650
(2) 5,168		5,706	-538
(3) 2,687		2,899	-212
(4) 5,323		4,984	339
(5) 4,124		3,277	847
(6) 21,156		14,403	6,753
(7) 2,035		2,234	-199
(8) 10,248		10,171	77
(9) 5,956		5,904	52
(10) 14,801		14,999	-198
(11) 13,971		15,215	-1,244
(12) 5,109		3,994	1,115
(13) 5,952		6,271	-319
(14) 5,935		5,925	10
(15) 4,061		4,055	6

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
(1)			-650
(2)			-538
(3)			-212
(4)			339
(5)			847
(6)			6,753
(7)			-199
(8)			77
(9)			52
(10)			-198
(11)			-1,244
(12)			1,115
(13)			-319
(14)			10
(15)			6

Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

2010

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

Name **Williams Family Foundation, Inc.** Employer Identification Number **39-1865458**

(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.)
(1) 29 Quest Diagnostics inc	P	07/16/07	01/22/10
(2) 4 Quest Diagnostics Inc	P	03/11/08	01/22/10
(3) Stifel			
(4) Powershares DB US Dollar K-1			
(5) Powershares DB Oil Fund (DBO)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 1,709		1,578	131
(2) 236		185	51
(3) 12			12
(4) -360			-360
(5) 2,656			2,656
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

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

(i) FMV 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))
			131
			51
			12
			-360
			2,656
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Legacy Reserves LP	\$ 1,003	\$	\$
Total	\$ 1,003	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Legal fees	\$ 75	\$	\$	\$ 75
Total	\$ 75	\$ 0	\$ 0	\$ 75

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Siepert	\$ 820	\$	\$	\$ 820
Total	\$ 820	\$ 0	\$ 0	\$ 820

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Asset Management Fees	\$ 5,184	\$ 5,184	\$	\$
Total	\$ 5,184	\$ 5,184	\$ 0	\$ 0

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foreign Taxes	\$ 58	58	\$	\$
Federal Taxes	27	27		
Total	\$ 85	85	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses			\$	
Filing Fee	10			10
Total	\$ 10	0	\$ 0	\$ 10

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Equities	\$ 190,776	\$ 186,571	Cost	\$ 208,203
Total	<u>\$ 190,776</u>	<u>\$ 186,571</u>		<u>\$ 208,203</u>

Statement 8 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Bonds	\$ 73,536	\$ 35,536	Cost	\$ 37,238
Total	<u>\$ 73,536</u>	<u>\$ 35,536</u>		<u>\$ 37,238</u>

Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
Limited Partnership Interest	\$	\$ 14,878	\$ 20,161
Total	<u>\$ 0</u>	<u>\$ 14,878</u>	<u>\$ 20,161</u>

Statement 10 - Form 990-PF, Part III, Line 5 - Other Decreases

<u>Description</u>	<u>Amount</u>
Partnership book to tax adjustment	\$ 2,088
Total	<u>\$ 2,088</u>

Statement 11 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description

There is no standard application form. Applicants should include copy of IRS exemption letter, list of officers and directors, current financial statements, budget for proposed grant and cover letter giving brief description of project to be funded. Initial inquiries by telephone are welcomed.

Statement 12 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

The foundation generally limits its grants to need based organizations and missionary agencies.

Federal Statements

Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name	Address	Relationship	Status	Purpose	Amount
Caritas				General	360
CFCA				General	1,500
Covenant House				General	2,500
Food for the Poor				General	3,000
Goldie Floberg				General	900
New Creatures in Christ				General	14,184
Northern IL Food Bank				General	500
OLA				General	8,037
Rockford Rescue Mission				General	800
Salesian Mission				General	3,000
Salvation Army				General	250
Slavic Gospel Assoc				General	500
Other				General	543
Girl Scouts				General	91
Rockford Habitat for Huma				General	3,300
Columbia Fathers				General	1,500
Total				General	<u>40,965</u>