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

OMB No 1545-0052

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 2010, and ending

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

Name of foundation

LAS CUMBRES OBSERVATORY G. T. N., INC

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

6740 CORTONA DR

City or town

GOLETA

Room/suite

102

State ZIP code

CA 93117

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
(from Part II, column (c), line 16)

\$ 34,928,447.

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number

77-0361278

B Telephone number (see the instructions)

(805) 880-1608

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) (see the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE	1 Contributions, gifts, grants, etc., received (att sch)	14,694,493.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	2,725.	2,725.	11,928.	
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	-103,622.			
	b Gross sales price for all assets on line 6a	3,800.			
	7 Capital gain net income (from Part IV, line 2)				
	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/(loss) (att sch)					
11 Other income (attach schedule)					
See Line 11 Stmt	11,462.	9,912.	0.		
12 Total. Add lines 1 through 11	14,605,058.	12,637.	11,928.		
13 Compensation of officers, directors, trustees, etc					
14 Other employee salaries and wages	2,099,784.			1,726,596.	
15 Pension plans, employee benefits	723,365.			594,804.	
16a Legal fees (attach schedule) L-16a Stmt	12,381.			0.	
b Accounting fees (attach sch) L-16b Stmt	33,235.		5,964.	0.	
c Other prof fees (attach sch) L-16c Stmt	34,628.	709.		0.	
17 Interest					
18 Taxes (attach schedule) (see instr) PAYROLL TAX	293,677.			241,461.	
19 Depreciation (attach sch) and depletion L-19 Stmt	1,858,892.				
20 Occupancy	414,372.			0.	
21 Travel, conferences, and meetings	282,356.		5,964.	0.	
22 Printing and publications					
23 Other expenses (attach schedule)					
See Line 23 Stmt	1,502,992.			783,921.	
24 Total operating and administrative expenses. Add lines 13 through 23	7,255,682.	709.	11,928.	3,346,782.	
25 Contributions, gifts, grants paid	886,693.			886,693.	
26 Total expenses and disbursements. Add lines 24 and 25	8,142,375.	709.	11,928.	4,233,475.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	6,462,683.				
b Net investment income (if negative, enter -0-)		11,928.			
c Adjusted net income (if negative, enter -0-)			0.		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	641.	0.	0.
	2 Savings and temporary cash investments	179,962.	55,818.	55,818.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts	159,853.	19,421.	19,421.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	61,274.	54,925.	54,925.
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) L-13 Stmt	540,532.	542,082.	542,082.	
14 Land, buildings, and equipment basis L-14 Stmt	42,101,065.			
Less: accumulated depreciation (attach schedule) L-14 Stmt	7,881,134.			
15 Other assets (describe L-15 Stmt)	31,844.	36,270.	36,270.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	28,472,266.	34,928,447.	34,928,447.	
LIABILITIES	17 Accounts payable and accrued expenses	1,039,429.	778,132.	
	18 Grants payable	1,671,575.	1,168,702.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe L-22 Stmt)	49,883.	387,778.	
	23 Total liabilities (add lines 17 through 22)	2,760,887.	2,334,612.	
FUND ASSETS OR BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	25,711,379.	32,593,835.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	25,711,379.	32,593,835.	
	31 Total liabilities and net assets/fund balances (see the instructions)	28,472,266.	34,928,447.	

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	25,711,379.
2 Enter amount from Part I, line 27a	2	6,462,683.
3 Other increases not included in line 2 (itemize) See Other Increases Stmt	3	659,940.
4 Add lines 1, 2, and 3	4	32,834,002.
5 Decreases not included in line 2 (itemize) NET ACCRUAL TO CASH ADJUSTMENTS	5	240,167.
6 Total net assets or fund balances at end of year (line 4 minus line 5)— Part II, column (b), line 30	6	32,593,835.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a			
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			

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			
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
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). [If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]	3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009			
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)	2
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
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4
5 Multiply line 4 by line 3	5
6 Enter 1% of net investment income (1% of Part I, line 27b)	6
7 Add lines 5 and 6	7
8 Enter qualifying distributions from Part XII, line 4	8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input checked="" type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter <u>02/06/07</u> (attach copy of letter if necessary—see instr.)		1	N/A
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input 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, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3 Add lines 1 and 2		3	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	
6 Credits/Payments			
a 2010 estimated tax pmts 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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0.
11 Enter the amount of line 10 to be credited to 2011 estimated tax	11		

Part VII Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the 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
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 <u>\$</u> (2) On foundation managers <u>\$</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <u>\$</u>		
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
4 a 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? <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, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>CA - California</u>		
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(j)(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	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11	X	
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X	
<p>14 The books are in care of WAYNE E. ROSING Telephone no. (805) 880-1608 Located at 6740 CORTONA DR STE 102 GOLETA CA ZIP + 4 93117</p>				
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	<input type="checkbox"/> 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?	16	X	
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country United Kingdom				

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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<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?	<input type="checkbox"/> 1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If 'Yes,' list the years	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement—see the instructions)	<input type="checkbox"/> 2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here	<input type="checkbox"/> 2c	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input checked="" type="checkbox"/> Yes <input 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.)	<input type="checkbox"/> 3b	X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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)? (see instructions)

☐ Yes ☒ No

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

☐ Yes ☒ No

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

5b

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

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

6b

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

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

7b

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WAYNE E. ROSING 3463 STATE ST, STE 255 SANTA BARBARA CA 93105	PRESIDENT 40.00	0.	0.	0.
DOROTHY F. LARGAY 3463 STATE ST, STE 255 SANTA BARBARA CA 93105	SECRETARY 1.00	0.	0.	0.
JOHN FARRELL 449 SULPHUR CREEK RD JEMEZ SPRINGS NM 87025	TREASURER 1.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MICHAEL FALARSKI 22163 MILLER RIDGE RD., LOS GATOS, CA 95033	VP-OPERATIONS 40.00	140,000.	0.	0.
MAIDA SMITH 623 MOUNTAIN DR., SANTA BARBARA, CA 93103	ADMIN DIRECTOR 40.00	125,000.	0.	0.
TIM BROWN 1152 N FAIRVIEW AVE., GOLETA, CA 93117	SCIENTIFIC DIRECTOR 40.00	189,000.	0.	0.
RICH LOBDILL 447 CUERDA CORTE ARROYO GRANDE CA 93420	SR ELEC. ENG 40.00	140,000.	0.	0.
ANDREW J. PICKLES P.O. BOX 60151 SANTA BARBARA CA 91101	DEPUTY TECH DIRECTOR 40.00	130,000.	0.	0.

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

30

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
CROSSROADS STAFFING SERVICES 1337 E. THOUSAND OAKS BLVD, STE 110 THOUSAND OAKS CA 91362	CONTRACT STAFFING	198,834.
OBSERVATORY RESOURCES PTY LTD P.O. BOX 96 COONABARABRAN NEW SOUTH WALES, AUSTRALIA 00000	AUSTRALIA SITE MANAGEMENT	93,998.
WAYNE GREENE 1422 SAN MIGUEL SANTA BARBARA CA 93109	SITE CONSTRUCTION	184,619.
MARK CRELIN, LTD 2221 ANACAPA ST SANTA BARBARA CA 93105	TELESCOPE ASSEMBLY	111,399.
TELESCOPE TECHNOLOGIES LTD 1 MORBETH WARF, BERKENHEAD MERSYSIDE ENGLAND 41	TELESCOPE LABOR OVERHEAD	631,607.
Total number of others receiving over \$50,000 for professional services		2

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 IMPROVED EFFECTIVENESS AND RELIABILITY OF OUR MAJOR TELESCOPE ASSETS IN HAWAII AND AUSTRALIA BY UPGRADING SUBSYSTEMS AND ADDING NEW COMPONENTS	359,565.
2 CONTINUED TO MAKE PROGRESS ON DESIGN AND FABRICATION OF SEVERAL SMALL TELESCOPES FOR OTHER EDUCATIONAL INSTITUTIONS INCLUDING THE SEDGWICK TELESCOPE FOR THE UNIVERSITY OF CALIFORNIA AND THE MCDONALD TELESCOPE FOR THE UNIVERSITY OF TEXAS	2,876,518.
3 CONTINUED TO ESTABLISH THE FACILITIES AND STAFF NECESSARY TO DEVELOP AND OPERATE THE PLANNED TELESCOPE NETWORK INCLUDING PURCHASE OF SPECIALIZED MACHINING AND FABRICATION EQUIPMENT AND EXPANSION OF RESEARCH STAFF	359,565.
4 OTHER GRANTS FROM PART XV NOT INCLUDED ABOVE	637,827.

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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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	0.
b	Average of monthly cash balances	1b	117,890.
c	Fair market value of all other assets (see instructions)	1c	652,698.
d	Total (add lines 1a, b, and c)	1d	770,588.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	770,588.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	11,559.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	759,029.
6	Minimum investment return. Enter 5% of line 5	6	37,951.

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

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	4,233,475.
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	4,233,475.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	4,233,475.

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				
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			0.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2010:				
a From 2005	751,949.			
b From 2006	11,316,201.			
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	12,068,150.			
4 Qualifying distributions for 2010 from Part XII, line 4. \blacktriangleright \$ 4,233,475.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus	4,233,475.			
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	16,301,625.			
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				
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	751,949.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	15,549,676.			
10 Analysis of line 9:				
a Excess from 2006	11,316,201.			
b Excess from 2007	0.			
c Excess from 2008	0.			
d Excess from 2009	0.			
e Excess from 2010	4,233,475.			

Part XIV Private Operating Foundations (see 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

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)**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2010	(b) 2009	(c) 2008	(d) 2007	
0.	0.	0.	12,836.	12,836.
0.	0.	0.	10,911.	10,911.
4,233,475.	4,933,450.	3,425,392.	11,913,253.	24,505,570.
0.	0.	0.	0.	N/A
4,233,475.	4,933,450.	3,425,392.	11,913,253.	24,505,570.
34,928,447.	28,472,266.	25,550,778.	20,910,306.	109,861,797.
34,219,931.	27,498,160.	24,823,543.	19,428,452.	105,970,086.
37,951.	53,707.	29,359.	28,324.	149,341.

b 85% of line 2a**c** Qualifying distributions from Part XII, line 4 for each year listed**d** Amounts included in line 2c not used directly for active conduct of exempt activities**e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c**3** Complete 3a, b, or c for the alternative test relied upon**a** 'Assets' alternative test— enter**(1)** Value of all assets**(2)** Value of assets qualifying under section 4942(j)(3)(B)(i)**b** 'Endowment' alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed**c** 'Support' alternative test— enter**(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)**(2)** Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)**(3)** Largest amount of support from an exempt organization**(4)** Gross investment income**Part XV Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year— see instructions.)**1 Information Regarding Foundation Managers:****a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).)**WAYNE E. ROSING AND DOROTHY F. LARGAY****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**NOT APPLICABLE****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**N/A****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

Part XV ■ Supplementary Information (continued)

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

[illegible]

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a NOT APPLICABLE					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	2,725.	
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					
8 Gain or (loss) from sales of assets other than inventory			14		-103,622..
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue.					
a FOREIGN TRANSLATION GAIN			14		9,912.
b NET INCOME FROM SUBSIDIARY					1,550.
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				2,725.	-92,160.
13 Total. Add line 12, columns (b), (d), and (e)				13	-89,435.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545-0047

2010

Name of the organization

LAS CUMBRES OBSERVATORY G. T. N., INC

Employer identification number

77-0361278

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)() (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (i) \$5,000 or (ii) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

LAS CUMBRES OBSERVATORY G. T. N., INC

77-0361278

Part I Contributors (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	TABASGO FOUNDATION 3463 STATE STREET, SUITE 255 SANTA BARBARA CA 93105	\$ 14,685,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	WAYNE E. ROSING AND DOROTHY F. LARGAY 3463 STATE STREET, SUITE 255 SANTA BARBARA CA 93105	\$ 9,493.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Employer identification number

77-0361278

Part II

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	VARIOUS IN-KIND		
		\$ 9,493.	12/31/10
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2010Attachment
Sequence No **67**

Name(s) shown on return

LAS CUMBRES OBSERVATORY G. T. N., INC

Identifying number

77-0361278

Business or activity to which this form relates

Form 990-PF page 1**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	102,369.

Part III MACRS Depreciation (Do not include listed property) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	1,675,165.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property	07/10	19,267.	39 yrs	MM	S/L	226.

Section C — Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

(a) Class life	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
20a Class life		468,106.	Various	HY	S/L	46,103.
b 12-year		455,953.	12 yrs	HY	S/L	18,999.
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	16,030.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	1,858,892.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812 10/29/10

Form **4562** (2010)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, completely 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25		
26 Property used more than 50% in a qualified business use										
TRUCK/LIFT	05/27/05	100.00	22,371.	22,371.	5.00	S/L-HY	2,196.			
VEHICLES	07/01/06	100.00	13,595.	13,595.	5.00	S/L-HY	1,775.			
See Additional Listed Property Statement							12,059.			
27 Property used 50% or less in a qualified business use										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28	16,030.	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. You provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2010 tax year (see instructions)						
43 Amortization of costs that began before your 2010 tax year					43	0.
44 Total. Add amounts in column (f). See the instructions for where to report					44	0.

Form 990-PF
Part I, Line 6a

Net Gain or Loss From Sale of Assets

2010

Name IAS CUMBRES OBSERVATORY G. T. N., INC	Employer Identification Number 77-0361278
--	---

Asset Information:

Description of Property		KDNA AND OTHER SOFTWARE	
Date Acquired:	Various	How Acquired:	Purchased
Date Sold	12/31/10	Name of Buyer	RETIRED
Sales Price	0.	Cost or other basis (do not reduce by depreciation)	213,108.
Sales Expense	0.	Valuation Method	Cost
Total Gain (Loss)	-8,064.	Accumulation Depreciation:	205,044.

Description of Property		COMPUTER EQUIPMENT	
Date Acquired	Various	How Acquired	Purchased
Date Sold	Vari-2010	Name of Buyer	VARIOUS
Sales Price	3,800.	Cost or other basis (do not reduce by depreciation)	42,479.
Sales Expense		Valuation Method	Cost
Total Gain (Loss)	-4,696.	Accumulation Depreciation	33,983.

Description of Property		ASTRONOMICAL EQUIPMENT	
Date Acquired	06/01/05	How Acquired	Purchased
Date Sold	06/30/10	Name of Buyer	RETIRED
Sales Price	0.	Cost or other basis (do not reduce by depreciation)	10,000.
Sales Expense:		Valuation Method	Cost
Total Gain (Loss)	-5,791.	Accumulation Depreciation:	4,209.

Description of Property		EQUIPMENT	
Date Acquired	07/01/06	How Acquired:	Purchased
Date Sold	Vari-2010	Name of Buyer	RETIRED
Sales Price	0.	Cost or other basis (do not reduce by depreciation)	24,625.
Sales Expense.		Valuation Method	Cost
Total Gain (Loss).	-16,417.	Accumulation Depreciation:	8,208.

Description of Property		FAULKES NORTH AND SOUTH TELESCOPES RETIREMENT	
Date Acquired	03/15/04	How Acquired	Purchased
Date Sold.	12/31/10	Name of Buyer	RETIRED
Sales Price	0.	Cost or other basis (do not reduce by depreciation)	170,000.
Sales Expense	0.	Valuation Method	Cost
Total Gain (Loss)	-68,654.	Accumulation Depreciation	101,346.

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method:	
Total Gain (Loss):		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation:	

Description of Property:			
Date Acquired		How Acquired	
Date Sold:		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method.	
Total Gain (Loss)		Accumulation Depreciation	

Election Statement

Election out of Qualified Economic Stimulus Property**Election Out of Qualified Economic Stimulus Property**Attach to your return

Taxpayer hereby elects under IRC Section 168(k)(2)(D)(iii) out of having Qualified Economic Stimulus property for the following asset classes placed in service during the tax year ending:

December 31, 2010**ALL ELIGIBLE CLASSES OF PROPERTY**

Form 4562

LAS CUMBRES OBSERVATORY G. T. N., INC

Depreciation and Amortization Report

Tax Year 2010

2010

Form 990PF - page 1

Keep for your records

77-0361278

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
2010-TELESCOPE IN PROGRESS TO FAULKES-S		07/01/10	47,497		100.00			47,497	12.00	ALT/HY		1,979
2010-TELESCOPE IN PROGRESS TO FAULKES-N		07/01/10	47,497		100.00			47,497	12.00	ALT/HY		1,979
LCO-2010 SB LAB EQUIP		07/01/10	3,042		100.00			3,042	12.00	ALT/HY		127
2010-TELESCOPE IN PROGRESS TO SB EQUIP		07/01/10	1,500		100.00			1,500	12.00	ALT/HY		63
LCO-2010 SB COMPUTERS		07/01/10	453,947		100.00			453,947	5.00	ALT/HY		45,395
LCO-2010 SB-EQUIPMENT		07/01/10	182,273		100.00			182,273	12.00	ALT/HY		7,595
LCO-2010 SB P&P		07/01/10	14,159		100.00			14,159	10.00	ALT/HY		708
LCO-2010 SB SOFTWARE		07/01/10	83,042		100.00			83,042	3.00	SL/NA		13,840
LCO-2010 SB LH IMPROV		07/01/10	19,267		100.00			19,267	39.00	SL/MM		226
LCO-SB 2010 IN HOUSE TELESCOPES		07/01/10	39,174		100.00			39,174	12.00	ALT/HY		1,632
2010-TELESCOPE IN PROGRESS TO SEDGWICK		12/31/10	134,970		100.00			134,970	12.00	ALT/HY		5,624
SUBTOTAL CURRENT YEAR			1,026,368	0		0	0	1,026,368			0	79,168
ASTRONOMICAL/ONSERVATORY		12/15/93	121,622		100.00			121,622	12.00	ALT/HY	117,484	0
DATA PROCESSING EQUIPMENT		12/15/93	35,474		100.00			35,474	5.00	ALT/HY	35,474	0
MISCELLANEOUS EQUIPMENT		12/15/93	8,140		100.00			8,140	12.00	ALT/HY	7,863	0
TELESCOPE RELATED		12/15/93	5,832		100.00			5,832	12.00	ALT/HY	5,634	0
TOOLS		12/15/93	1,757		100.00			1,757	5.00	ALT/HY	1,757	0
SHELVES		12/15/93	648		100.00			648	12.00	ALT/HY	626	0
OBSERVATORY/TELESCOPE		05/15/94	38,424		100.00			38,424	12.00	ALT/HY	38,424	0
TEST EQUIPMENT		09/01/94	10,659		100.00			10,659	5.00	ALT/MQ	10,659	0
SCIENTIFIC EQUIPMENT		09/01/94	63,349		100.00			63,349	7.00	ALT/MQ	63,349	0
MACH & EQUIP		11/25/94	17,500		100.00	17,500		0	7.00	200DB/HY		0
MAC H & EQUIP		11/26/94	67,760		100.00			67,760	7.00	200DB/MQ	67,760	0
FURNITURE & FIXTURES		11/26/94	2,169		100.00			2,169	7.00	200DB/MQ	2,169	0
SCIENTIFIC EQUIP		03/31/95	30,268		100.00			30,268	7.00	200DB/MQ	30,268	0
SCIENCE EQUIPMENT		06/01/95	56,799		100.00			56,799	12.00	ALT/HY	56,799	0
SCIENTIFIC EQUIP		06/30/95	13,542		100.00			13,542	7.00	200DB/MQ	13,542	0
SCIENTIFIC EQUIPMENT		08/31/95	17,554		100.00			17,554	7.00	200DB/MQ	17,554	0
SCIENTIFIC EQUIPMENT		11/01/95	114,596		100.00			114,596	7.00	200DB/MQ	114,596	0
SCIENTIFIC EQUIPMENT		03/31/96	1,117		100.00			1,117	7.00	200DB/HY	1,117	0
SCIENCE EQUIPMENT		06/01/96	8,807		100.00			8,807	12.00	ALT/HY	8,807	0
SCIENTIFIC EQUIPMENT		06/30/96	9,320		100.00			9,320	7.00	200DB/HY	9,320	0
EQUIPMENT		07/01/96	17,500		100.00	13,090		4,410	7.00	200DB/HY	4,410	0
SCIENTIFIC EQUIPMENT		09/30/96	6,533		100.00			6,533	7.00	200DB/HY	6,533	0
OPTICAL EQUIPMENT		06/01/97	1,600		100.00			1,600	12.00	ALT/HY	1,600	0

Code: S = Sold, A = Auto, L = Listed, C = COGS

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Form 4562

Depreciation and Amortization Report

2010

LAS CUMBRES OBSERVATORY G. T. N., INC

Tax Year 2010

Form 990PF - page 1

► Keep for your records

77-0361278

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
OPTICAL EQUIPMENT		06/01/97	4,975		100.00			4,975	12.00	ALT/HY	4,975	0
CAMERA		05/01/98	7,500		100.00			7,500	12.00	ALT/HY	7,193	307
COMPUTER		05/01/98	10,825		100.00			10,825	5.00	ALT/HY	10,825	0
COMPUTER EQUIPMENT		06/01/99	2,435		100.00			2,435	5.00	200DB/HY	2,435	0
CAMERA		02/07/00	4,500		100.00			4,500	12.00	ALT/HY	3,574	370
COMPUTER EQUIPMENT		06/01/00	8,739		100.00			8,739	5.00	ALT/HY	8,739	0
COMPUTER EQUIP		05/31/01	1,489		100.00			1,489	5.00	200DB/HY	1,489	0
SCIENTIFIC EQUIPMENT		05/31/02	18,732		100.00			18,732	7.00	200DB/HY	18,732	0
SOFTWARE		05/31/02	4,835		100.00			4,835	3.00	SL/NA	4,835	0
DONATED TOOL		10/14/02	9,000		100.00			9,000	7.00	200DB/HY	9,000	0
TELESCOPE		01/30/03	1,963		100.00			1,963	7.00	200DB/HY	1,877	86
FAULKES TELESCOPE		03/15/04	8,211,623		100.00			8,211,623	12.00	ALT/MQ	4,342,685	631,663
FAULKES TELESCOPE-2010 DISPOSITIONS	S	03/15/04	170,000		100.00			170,000	12.00	ALT/MQ	89,904	11,442
EQUIPMENT-TIP-2004		07/01/04	51,450		100.00			51,450	12.00	ALT/MQ		4,288
MISCELLANEOUS EQUIPMENT		08/30/04	7,612		100.00			7,612	7.00	200DB/HY	6,617	663
COMPUTERS		11/04/04	8,002		100.00			8,002	5.00	200DB/HY	8,002	0
TELESCOPE		11/19/04	11,064		100.00			11,064	7.00	200DB/HY	9,618	964
TENEGRA OBSERVATORY		03/11/05	11,000		100.00			11,000	12.00	ALT/HY	4,174	910
FAULKES TELESCOPE IMPROVEMENTS		03/15/05	165,090		100.00			165,090	12.00	ALT/MQ	73,781	12,815
TRUCK/LIFT	L	05/27/05	22,371		100.00			22,371	5.00	ALT/HY	20,175	2,196
SOFTWARE		06/01/05	68,266		100.00			68,266	3.00	SL/NA	68,266	0
COMPUTERS		06/01/05	187,526		100.00			187,526	5.00	ALT/HY	169,121	18,405
ASTRONOMICAL EQUIPMENT		06/01/05	221,731		100.00			221,731	12.00	ALT/HY	84,154	18,344
ASTRO PHYSICS REFRACTING TELESCOPE		06/01/05	15,000		100.00			15,000	12.00	ALT/HY	5,693	1,241
ASTRONOMICAL EQUIP	S	06/01/05	10,000		100.00			10,000	12.00	ALT/HY	3,795	414
CAMERA EQUIPMENT		06/01/05	49,369		100.00			49,369	12.00	ALT/HY	18,736	4,084
TELESCOPE PARTS		06/01/05	302,768		100.00			302,768	10.00	ALT/HY	137,705	30,011
FURNITURE & FIXTURES		06/01/05	10,389		100.00			10,389	10.00	ALT/HY	4,726	1,030
EQUIPMENT-TIP 2005		07/01/05	121,232		100.00			121,232	12.00	ALT/MQ		10,103
COMPUTER RELATED		11/30/05	3,201		100.00			3,201	5.00	ALT/HY	2,887	314
ASTRONOMICAL EQUIPMENT		12/15/05	44,376		100.00			44,376	12.00	ALT/MQ	15,152	3,711
COMPUTER EQUIPMENT		12/15/05	8,355		100.00			8,355	5.00	ALT/MQ	6,880	1,475
SOFTWARE		12/15/05	77,723		100.00			77,723	3.00	SL/NA	77,723	0
VEHICLES	A	07/01/06	13,595		100.00			13,595	5.00	ALT/HY	8,573	1,775
LEASEHOLD IMPROVEMENTS		07/01/06	712,289		100.00			712,289	39.00	SL/MM	63,163	18,264
EQUIPMENT-TIP-2006		07/01/06	93,308		100.00			93,308	12.00	ALT/MQ		7,776
LCO-SB FURN & FIXT		07/01/06	79,898		100.00			79,898	10.00	ALT/HY	27,965	7,990

Code: S = Sold, A = Auto, L = Listed, C = COGS

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Form 4562

Depreciation and Amortization Report

2010

LAS CUMBRES OBSERVATORY G. T. N., INC

Tax Year 2010

Form 990PF - page 1

► Keep for your records

77-0361278

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
SOLD EQUIPMENT FROM 2006	S	07/01/06	24,625		100.00			24,625	12.00	ALT/HY	7,182	1,026
LCO-SB SOFTWARE		07/01/06	211,836		100.00			211,836	3.00	SL/NA	211,836	0
LCO-SB EQUIPMENT		07/01/06	312,161		100.00			312,161	12.00	ALT/HY	91,047	26,013
LCO-SB COMPUTERS		07/01/06	530,993		100.00			530,993	5.00	ALT/HY	371,695	106,199
LCO-SB COMPUTERS	S	07/01/06	42,479		100.00			42,479	5.00	ALT/HY	29,735	4,248
FTN TELESCOPE TIP-2006		07/19/06	81,115		100.00			81,115	12.00	ALT/MQ		6,760
PAULKES-TRUCK	L	11/17/06	26,728		100.00			26,728	5.00	ALT/MQ	18,321	4,484
PAULKES-COMPUTER EQUIP		11/18/06	10,229		100.00			10,229	5.00	SL/MQ	7,012	1,716
PAULKES-MODULAR SPACE		12/15/06	7,083		100.00			7,083	12.00	ALT/MQ	2,145	556
PAULKES-TELESCOPE ADDITIONS		12/31/06	93,837		100.00			93,837	12.00	ALT/MQ	28,424	7,370
LCO-SB COMPUTERS		07/01/07	238,687		100.00			238,687	5.00	ALT/HY	119,343	47,738
PAULKES N-VEHICLES	A	07/01/07	34,394		100.00			34,394	5.00	ALT/HY	11,510	1,875
PAULKES N-EQUIPMENT		07/01/07	4,763		100.00			4,763	12.00	ALT/HY	992	397
LCO-SB TELESCOPES		07/01/07	922,543		100.00			922,543	12.00	ALT/HY	192,197	76,879
EQUIPMENT-TIP 2007		07/01/07	65,129		100.00			65,129	12.00	ALT/MQ		5,428
LCO-SB LAB EQUIPMENT		07/01/07	143,784		100.00			143,784	12.00	ALT/HY	29,955	11,982
LCO-SB FURN & FIXT		07/01/07	157,144		100.00			157,144	10.00	ALT/HY	39,285	15,715
LCO-SB EQUIPMENT		07/01/07	107,682		100.00			107,682	12.00	ALT/HY	22,434	8,973
LCO-SB SOFTWARE		07/01/07	213,534		100.00			213,534	3.00	SL/NA	177,945	35,589
KDNA SOFTWARE	S	07/01/07	92,550		100.00			92,550	3.00	SL/NA	77,125	15,425
FTS-COMPUTER-2008		04/24/08	13,205		100.00			13,205	5.00	ALT/MQ	4,292	2,641
FTN-COMPUTER-2008		04/24/08	13,580		100.00			13,580	5.00	ALT/MQ	4,414	2,716
FURNITURE & FIXTURES-2008		07/01/08	92,276		100.00			92,276	10.00	ALT/MQ	12,688	9,228
FTS-EQUIPMENT-2008		07/01/08	11,787		100.00			11,787	12.00	ALT/MQ	1,350	982
EQUIPMENT-2008		07/01/08	389,755		100.00			389,755	12.00	ALT/MQ	44,660	32,480
FTN-TELESCOPES 2008		07/01/08	600,606		100.00			600,606	12.00	ALT/MQ	68,819	50,051
COMPUTER EQUIPMENT-2008		07/01/08	380,779		100.00			380,779	5.00	ALT/MQ	104,714	76,156
KDNA SOFTWARE	S	07/01/08	27,900		100.00			27,900	3.00	SL/NA	13,950	8,525
OUTREACH TELESCOPES-2008		07/01/08	15,515		100.00			15,515	12.00	ALT/MQ	1,778	1,293
FTS-TELESCOPE-2008		07/01/08	530,149		100.00			530,149	12.00	ALT/MQ	60,746	44,179
SOFTWARE-2008		07/01/08	63,708		100.00			63,708	3.00	SL/NA	31,854	21,236
LAB EQUIPMENT-2008		07/01/08	119,419		100.00			119,419	12.00	ALT/MQ	13,684	9,952
LEASEHOLD IMPROVEMENTS-2008		07/01/08	1,593,585		100.00			1,593,585	39.00	SL/MM	59,589	40,861
FTN EQUIPMENT-2008		07/01/08	127,259		100.00			127,259	12.00	ALT/MQ	14,583	10,606
2006 TOYOTA PRIUS	A	07/31/08	18,005		100.00			18,005	5.00	ALT/MQ	4,951	2,850
2005 FORD ESCAPE HYBRID	A	07/31/08	16,970		100.00			16,970	5.00	ALT/MQ	4,667	2,850
2009-FURNITURE & EQUIP		07/01/09	3,679		100.00			3,679	10.00	ALT/HY	184	368

Code: S = Sold, A = Auto, L = Listed, C = COGS

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2010

Form 990PF - page 1

77-0361278

Code: S = Sold, A = Auto, L = Listed, C = COGS

Miscellaneous Statement**PART VII-B, QUESTION 3(a)**

AS DISCLOSED IN PREVIOUS YEARS, LAS CUMBRES
OBSERVATORY, INC (LCO) IS THE SOLE MEMBER
OF LAS CUMBRES OBSERVATORY (UK) (LCO UK)
A NONPROFIT ENTITY WHOSE CHARITABLE PURPOSE
INCLUDES THE ADVANCEMENT OF EDUCATION OF
THE PUBLIC THROUGHOUT THE WORLD IN THE
SCIENCES OF ASTRONOMY AND COSMOLOGY. LCO
UK, IN TURN, IS THE SOLE OWNER OF TELESCOPE
TECHNOLOGIES LIMITED, A COMPANY THAT PROVIDES
TECHNICAL SUPPORT FOR ASTRONOMICAL TELESCOPES.

Total

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
NET INCOME-TTL	1,550.	0.	0.
FOREIGN CURRENCY TRANSLATION GAIN	9,912.	9,912.	0.
Total	11,462.	9,912.	0.

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
MAINTENANCE/REPAIRS	41,202.			41,202.
MATERIALS EXPENSE	118,689.			118,689.
VEHICLE EXPENSES	37,201.			0.
INSURANCE	151,669.			0.
OFFICE EXPENSE	86,423.			0.
OTHER OPERATING EXPENSES	154,936.			0.
TELEPHONE/UTILITIES	288,842.			0.
CONTRACT LABOR	438,665.			438,665.
Amortization	0.			
SHOP EXPENSES	185,365.			185,365.
Total	1,502,992.			783,921.

Form 990-PF, Page 2, Part III, Line 3

Other Increases Stmt

TAX DEPRECIATION > THAN BOOKS	90,136.
TAX LOSS ON ASSET DISPOSITION > THAN BOOKS	101,999.
TAX GRANTS/CONTRIBUTIONS > THAN BOOKS	467,805.
Total	659,940.

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
MACQUARIE UNIVERSITY	N/A		ARC LINKAGE	Person or <input type="checkbox"/>
BLACLAVA RD		FOREIGN	PROJECT	Business <input checked="" type="checkbox"/>
NSW 2109 AUSTRALIA 00000				38,000.
ASTRONOMICAL SOCIETY OF THE PACIFIC	N/A		OUTREACH AND	Person or <input type="checkbox"/>
390 ASHTON AVE		501 (C) (3)	CHALLENGE	Business <input checked="" type="checkbox"/>
SAN FRANCISCO CA 94112			GRANT	2,912.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				

Total

40,912.

Form 990-PF, Page 10, Part XV, line 3b

Line 3b statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
b Approved for future payment				
CALIFORNIA INSTITUTE OF TECHNOLOGY XXX PASADENA CA 91125	N/A	501(C) (3)	PTF PARTNER	Person or Business <input checked="" type="checkbox"/> 450,000.
UNIVERSITY OF HAWAII 244 DOLE ST HONOLULU HI 96822	N/A	501(C) (3)	PANN-STARS EDUCATIONAL	Person or Business <input checked="" type="checkbox"/> 533,333.
UNIVERSITY OF CALIFORNIA SANTA BARBARA SANTA BARBARA CA 93106	N/A	501(C) (3)	SEDGWICK RESERVE EDUCATIONAL	Person or Business <input checked="" type="checkbox"/> 236,630.
GAPP DISCOUNT PER AUDITED FINANCIAL STATEMENTS XXX CA 00000	N/A	N/A	N/A	Person or Business <input checked="" type="checkbox"/> -91,261.

Total

1,128,702.

Form 4562, line 26

Additional Listed Property Statement

(a) Type of property	(b) Date placed in service	(c) Business/ investmnt use %	(d) Cost or other basis	(e) Basis for deprecia- tion	(f) Re- covery period	(g) Method/ Con- vention	(h) Deprecia- tion deduction	(i) Elected section 179 cost
FAULKES N-VEHICLE	07/01/07	100.00	34,394.	34,394.	5.00	S/L-HY	1,875.	
FAULKES-TRUCK	11/17/06	100.00	26,728.	26,728.	5.00	S/L-MQ	4,484.	

Form 4562, line 26

Continued

Additional Listed Property Statement

(a) Type of property	(b) Date placed in service	(c) Business/ investmnt use %	(d) Cost or other basis	(e) Basis for deprecia- tion	(f) Re- covery period	(g) Method/ Con- vention	(h) Deprecia- tion deduction	(i) Elected section 179 cost
2006 TOYOTA PRIUS	07/31/08	100.00	18,005.	18,005.	5.00	S/L-MQ	2,850.	
2005 FORD ESCAPE	07/31/08	100.00	16,970.	16,970.	5.00	S/L-MQ	2,850.	

Total

12,059.

Form 990-PF, Part VII-A, Line 11, Statements Regarding Activities

Schedule of Information Regarding Transfers To a Controlled Entity

(A) Name and Address of Each Controlled Entity	(B) Employer ID number	(C) Description of Transfer	(D) Amount of Transfer
TELESCOPE TECHNOLOGIES LTD 1 MORPETH WARF, BERKENHEAD, MERSEYSIDE, ENGLAND CH 41	NONE	CONTRACT SERVICES TELESCOPE CONSTRUCTION	641,493.
TELESCOPE TECHNOLOGIES LTD 1 MORPETH WARF, BERKENHEAD, MERSEYSIDE, ENGLAND CH 41	NONE	NET CAPITAL CONTRIBUTION	0.

Total

641,493.

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MISCELLANEOUS	GENERAL	12,381.			

Total

12,381.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
JOHN P. TALIA, CPA	TAX SERVICES	4,375.			
BARTLETT, PRINGLE &	AUDIT SERVICES	28,860.			

Total

33,235.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BESSEMER ACCT FEES	BROKERAGE	709.	709.		
VARIOUS	COMPUTER SYST ADMIN	33,919.			
Total		34,628.	709.		

Form 990-PF, Line 19

Allocated Depreciation

Description	Date Acquire	Cost or Basis	Prior Yr. Depr	Mthd	Life	Current Depr	Net Invest Income	Adjusted Net Income
ASTRONOMICAL/ONSERVATO	12/15/93	121622	117484	ALT	12.00	0		
DATA PROCESSING EQUIPM	12/15/93	35474	35474	ALT	5.00	0		
MISCELLANEOUS EQUIPMEN	12/15/93	8140	7863	ALT	12.00	0		
TELESCOPE RELATED	12/15/93	5832	5634	ALT	12.00	0		
TOOLS	12/15/93	1757	1757	ALT	5.00	0		
SHELVES	12/15/93	648	626	ALT	12.00	0		
OBSERVATORY/TELESCOPE	05/15/94	38424	38424	ALT	12.00	0		
SCIENCE EQUIPMENT	06/01/95	56799	56799	ALT	12.00	0		
SCIENCE EQUIPMENT	06/01/96	8807	8807	ALT	12.00	0		
OPTICAL EQUIPMENT	06/01/97	1600	1600	ALT	12.00	0		
OPTICAL EQUIPMENT	06/01/97	4975	4975	ALT	12.00	0		
CAMERA	05/01/98	7500	7193	ALT	12.00	307		
COMPUTER	05/01/98	10825	10825	ALT	5.00	0		
COMPUTER EQUIPMENT	06/01/99	2435	2435	200DB	5.00	0		
COMPUTER EQUIPMENT	06/01/00	8739	8739	ALT	5.00	0		
CAMERA	02/07/00	4500	3574	ALT	12.00	370		
FURNITURE & FIXTURES	11/26/94	2169	2169	200DB	7.00	0		
MAC H & EQUIP	11/26/94	67760	67760	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	09/01/94	63349	63349	ALT	7.00	0		
TEST EQUIPMENT	09/01/94	10659	10659	ALT	5.00	0		
SCIENTIFIC EQUIP	03/31/95	30268	30268	200DB	7.00	0		
SCIENTIFIC EQUIP	06/30/95	13542	13542	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	08/31/95	17554	17554	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	11/01/95	114596	114596	200DB	7.00	0		
EQUIPMENT	07/01/96	17500	4410	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	03/31/96	1117	1117	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	06/30/96	9320	9320	200DB	7.00	0		
SCIENTIFIC EQUIPMENT	09/30/96	6533	6533	200DB	7.00	0		
MACH & EQUIP	11/25/94	17500	17500	200DB	7.00	0		
COMPUTER EQUIP	05/31/01	1489	1489	200DB	5.00	0		
SCIENTIFIC EQUIPMENT	05/31/02	18732	18732	200DB	7.00	0		
SOFTWARE	05/31/02	4835	4835	SL	3.00	0		
DONATED TOOL	10/14/02	9000	9000	200DB	7.00	0		
TELESCOPE	01/30/03	1963	1877	200DB	7.00	86		
TELESCOPE	11/19/04	11064	9618	200DB	7.00	964		
COMPUTERS	11/04/04	8002	8002	200DB	5.00	0		
MISCELLANEOUS EQUIPMEN	08/30/04	7612	6617	200DB	7.00	663		
CAMERA EQUIPMENT	06/01/05	49369	18736	ALT	12.00	4084		
FURNITURE & FIXTURES	06/01/05	10389	4726	ALT	10.00	1030		
ASTRONOMICAL EQUIPMENT	06/01/05	221731	84154	ALT	12.00	18344		

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Continued

Allocated Depreciation

Description	Date Acquire	Cost or Basis	Prior Yr. Depr	Mthd	Life	Current Depr	Net Invest Income	Adjusted Net Income
SOFTWARE	06/01/05	68266	68266	SL	3.00	0		
COMPUTERS	06/01/05	187526	169121	ALT	5.00	18405		
TELESCOPE PARTS	06/01/05	302768	137705	ALT	10.00	30011		
TRUCK/LIFT	05/27/05	22371	20175	ALT	5.00	2196		
TENEGRA OBSERVATORY	03/11/05	11000	4174	ALT	12.00	910		
COMPUTER RELATED	11/30/05	3201	2887	ALT	5.00	314		
ASTRO PHYSICS REFRACTI	06/01/05	15000	5693	ALT	12.00	1241		
COMPUTER EQUIPMENT	12/15/05	8355	6880	ALT	5.00	1475		
ASTRONOMICAL EQUIPMENT	12/15/05	44376	15152	ALT	12.00	3711		
SOFTWARE	12/15/05	77723	77723	SL	3.00	0		
LCO-SB COMPUTERS	07/01/06	530993	371695	ALT	5.00	106199		
LCO-SB SOFTWARE	07/01/06	211836	211836	SL	3.00	0		
LCO-SB EQUIPMENT	07/01/06	312161	91047	ALT	12.00	26013		
LCO-SB FURN & FIXT	07/01/06	79898	27965	ALT	10.00	7990		
VEHICLES	07/01/06	13595	8573	ALT	5.00	1775		
LEASEHOLD IMPROVEMENTS	07/01/06	712289	63163	SL	39.00	18264		
LCO-SB COMPUTERS	07/01/07	238687	119343	ALT	5.00	47738		
LCO-SB SOFTWARE	07/01/07	213534	177945	SL	3.00	35589		
LCO-SB EQUIPMENT	07/01/07	107682	22434	ALT	12.00	8973		
LCO-SB LAB EQUIPMENT	07/01/07	143784	29955	ALT	12.00	11982		
LCO-SB FURN & FIXT	07/01/07	157144	39285	ALT	10.00	15715		
LCO-SB TELESCOPES	07/01/07	922543	192197	ALT	12.00	76879		
FAULKES N-VEHICLES	07/01/07	34394	11510	ALT	5.00	1875		
FAULKES N-EQUIPMENT	07/01/07	4763	992	ALT	12.00	397		
FAULKES TELESCOPE	03/15/04	8211623	4342685	ALT	12.00	631663		
FAULKES TELESCOPE IMPR	03/15/05	165090	73781	ALT	12.00	12815		
FAULKES-TRUCK	11/17/06	26728	18321	ALT	5.00	4484		
FAULKES-COMPUTER EQUIP	11/18/06	10229	7012	SL	5.00	1716		
FAULKES-MODULAR SPACE	12/15/06	7083	2145	ALT	12.00	556		
FAULKES-TELESCOPE ADDI	12/31/06	93837	28424	ALT	12.00	7370		
COMPUTER EQUIPMENT-200	07/01/08	380779	104714	ALT	5.00	76156		
EQUIPMENT-TIP-2004	07/01/04	51450	23584	ALT	12.00	4288		
EQUIPMENT-TIP 2005	07/01/05	121232	45464	ALT	12.00	10103		
EQUIPMENT-TIP-2006	07/01/06	93308	27216	ALT	12.00	7776		
EQUIPMENT-TIP 2007	07/01/07	65129	13570	ALT	12.00	5428		
EQUIPMENT-2008	07/01/08	389755	44660	ALT	12.00	32480		
FURNITURE & FIXTURES-2	07/01/08	92276	12688	ALT	10.00	9228		
LAB EQUIPMENT-2008	07/01/08	119419	13684	ALT	12.00	9952		
LEASEHOLD IMPROVEMENTS	07/01/08	1593585	59589	SL	39.00	40861		
SOFTWARE-2008	07/01/08	63708	31854	SL	3.00	21236		
OUTREACH TELESCOPES-20	07/01/08	15515	1778	ALT	12.00	1293		
2006 TOYOTA PRIUS	07/31/08	18005	4951	ALT	5.00	2850		
2005 FORD ESCAPE HYBRID	07/31/08	16970	4667	ALT	5.00	2850		
FTN EQUIPMENT-2008	07/01/08	127269	14583	ALT	12.00	10606		
FTN TELESCOPE TIP-2006	07/19/06	81115	23660	ALT	12.00	6760		
FTN-TELESCOPES 2008	07/01/08	600606	68819	ALT	12.00	50051		
FTN-COMPUTER-2008	04/24/08	13580	4414	ALT	5.00	2716		
FTS-COMPUTER-2008	04/24/08	13205	4292	ALT	5.00	2641		
FTS-EQUIPMENT-2008	07/01/08	11787	1350	ALT	12.00	982		
FTS-TELESCOPE-2008	07/01/08	530149	60746	ALT	12.00	44179		
2009-FURNITURE & EQUIP	07/01/09	3679	184	ALT	10.00	368		
2009-FN-COMPUTER EQUIP	07/01/09	16223	1622	ALT	5.00	3245		
2009-FN-FTN EQUIPMENT	07/01/09	83071	8307	ALT	5.00	16614		

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Continued

Allocated Depreciation

Description	Date Acquire	Cost or Basis	Prior Yr. Depr	Mthd	Life	Current Depr	Net Invest Income	Adjusted Net Income
2009-FS COMPUTER EQUIP	07/01/09	27996	2800	ALT	5.00	5599		
2009-FS EQUIPMENT FTS	07/01/09	78700	7870	ALT	5.00	15740		
2009-SANTA BARBARA COM	07/01/09	134565	13457	ALT	5.00	26913		
2009-SANTA BARBARA SOF	07/01/09	18679	3114	SL	3.00	6226		
2009-SANTA BARBARA EQU	07/01/09	72505	7251	ALT	5.00	14501		
2009-SB PROTOTYPE TEST	07/01/09	10751	1075	ALT	5.00	2150		
2009-SB LAB EQUIPMENT	07/01/09	34989	3499	ALT	5.00	6998		
2009-FN TELESCOPE	07/01/09	847907	35329	ALT	12.00	70659		
2009-FS TELESCOPE	07/01/09	737719	30738	ALT	12.00	61477		
2009-SEDGWICK TELESCOP	07/01/09	733850	30577	ALT	12.00	61154		
2009-SB LEASHOLD IMPV	07/01/09	36336	427	SL	39.00	932		
2010-TELESCOPE IN PROG	07/01/10	47497		ALT	12.00	1979		
2010-TELESCOPE IN PROG	07/01/10	47497		ALT	12.00	1979		
2010-TELESCOPE IN PROG	12/31/10	134970		ALT	12.00	5624		
2010-TELESCOPE IN PROG	07/01/10	1500		ALT	12.00	63		
LCO-SB COMPUTERS	07/01/06	42479	29735	ALT	5.00	4248		
ASTRONOMICAL EQUIP	06/01/05	10000	3795	ALT	12.00	414		
SOLD EQUIPMENT FROM 20	07/01/06	24625	7182	ALT	12.00	1026		
KDNA SOFTWARE	07/01/07	92550	77125	SL	3.00	15425		
KDNA SOFTWARE	07/01/08	27900	13950	SL	3.00	8525		
KDNA SOFTWARE	07/01/09	5000	833	SL	3.00	1528		
LCO-2010 SB COMPUTERS	07/01/10	453947		ALT	5.00	45395		
LCO-2010 SB-EQUIPMENT	07/01/10	182273		ALT	12.00	7595		
LCO-2010 SB F&F	07/01/10	14159		ALT	10.00	708		
LCO-2010 SB LAB EQUIP	07/01/10	3042		ALT	12.00	127		
LCO-2010 SB LH IMPROV	07/01/10	19267		SL	39.00	226		
LCO-2010 SB SOFTWARE	07/01/10	83042		SL	3.00	13840		
LCO-SB 2010 IN HOUSE T	07/01/10	39174		ALT	12.00	1632		
FAULKES TELESCOPE-2010	03/15/04	170000	89904	ALT	12.00	11442		

Total

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
TELESCOPE TECHNOLOGIES LTD (SEC. 4942(j)(4))	542,082.	542,082.
Total	542,082.	542,082.

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L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
TAX DEPRECIATION SCHEDULES	22,239,789.	9,595,269.	12,644,520.

Form 990-PF, Page 2, Part II, Line 14

Continued

L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
RECONCILE TO BOOKS	1,279,514.	-1,714,135.	2,993,649.
CONSTRUCTION IN PROGRESS	18,581,762.	0.	18,581,762.
Total	<u>42,101,065.</u>	<u>7,881,134.</u>	<u>34,219,931.</u>

Form 990-PF, Page 2, Part II, Line 15

Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year	
		Book Value	Fair Market Value
OTHER ASSETS	31,844.	36,270.	36,270.
Total	<u>31,844.</u>	<u>36,270.</u>	<u>36,270.</u>

Form 990-PF, Page 2, Part II, Line 22

Other Liab Stmt

Line 22 - Other Liabilities:	Beginning Year Book Value	Ending Year Book Value
ACCRUED EXPENSES	0.	387,778.
CASH OVERDRAFT	49,883.	0.
Total	<u>49,883.</u>	<u>387,778.</u>

Supporting Statement of:

Form 990-PF, p12/Line 3 Column (d)

Description	Amount
BESSEMER 8G6643	213.
OTHER	2,512.
Total	<u>2,725.</u>