



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

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 , 20

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 **CNC FOUNDATION** A Employer identification number **77-6160567**

Number and street (or P O box number if mail is not delivered to street address) **1423 HAMILTON AVENUE** Room/suite B Telephone number (see page 10 of the instructions) **(650) 926-5326**

City or town, state, and ZIP code **PALO ALTO, CA 94301**

H Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 418,553.** J Accounting method Cash Accrual
 Other (specify) _____ (Part I, column (d) must be on cash basis)

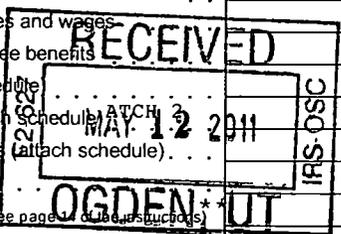
C If exemption application is pending check here
D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test check here and attach computation
E If private foundation status was terminated under section 507(b)(1)(A), check here
F If the foundation is in a 60-month termination under 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 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) | 715,200. | | | |
| 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B | | | | |
| 3 Interest on savings and temporary cash investments | | | | |
| 4 Dividends and interest from securities | 190. | 190. | 190. | ATCH 1 |
| 5a Gross rents | | | | |
| b Net rental income or (loss) | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | 1,107,333. | | | |
| b Gross sales price for all assets on line 6a | 1,107,493. | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 1,107,333. | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications | | | | |
| 10 a Gross sales less returns and allowances | | | | |
| b Less Cost of goods sold | | | | |
| c Gross profit or (loss) (attach schedule) | | | | |
| 11 Other income (attach schedule) | | | | |
| 12 Total. Add lines 1 through 11 | 1,822,723. | 1,107,523. | 190. | |
| 13 Compensation of officers, directors, trustees, etc | 0. | | | |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees (attach schedule) | | | | |
| b Accounting fees (attach schedule) ATCH 3 | 1,610. | 1,610. | 1,610. | 0. |
| c Other professional fees (attach schedule) | | | | |
| 17 Interest | | | | |
| 18 Taxes (attach schedule) (see page 10 of the instructions) | 10. | 10. | 10. | |
| 19 Depreciation (attach schedule) and depletion | | | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | | | | |
| 23 Other expenses (attach schedule) ATCH 4 | 166. | 166. | 166. | |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | 1,786. | 1,786. | 1,786. | 0. |
| 25 Contributions, gifts, grants paid | 508,935. | | | 508,935. |
| 26 Total expenses and disbursements Add lines 24 and 25 | 510,721. | 1,786. | 1,786. | 508,935. |
| 27 Subtract line 26 from line 12 | 1,312,002. | | | |
| a Excess of revenue over expenses and disbursements | | 1,105,737. | | |
| b Net investment income (if negative, enter -0-) | | | | |
| c Adjusted net income (if negative, enter -0-) | | | | |

SCANNED MAY 16 2011

Operating and Administrative Expenses



609017

| 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 | | | |
| | 2 | Savings and temporary cash investments | -185,399. | 411,960. | 411,960. |
| | 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 (attach schedule) ▶ Less allowance for doubtful accounts ▶ | | | |
| | 8 | Inventories for sale or use | | | |
| | 9 | Prepaid expenses and deferred charges | | | |
| | 10 a | Investments - U S and state government obligations (attach schedule). | | | |
| | b | Investments - corporate stock (attach schedule) ATTCH 5 | 405,503. | 11,303. | 6,593. |
| | 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) | | | |
| | 14 | Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶ | | | |
| 15 | Other assets (describe ▶) | | | | |
| 16 | Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) | 220,104. | 423,263. | 418,553. | |
| 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. | | |
| 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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/> | | | | |
| | 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 | 220,104. | 423,263. | | |
| 30 | Total net assets or fund balances (see page 17 of the instructions) | 220,104. | 423,263. | | |
| 31 | Total liabilities and net assets/fund balances (see page 17 of the instructions) | 220,104. | 423,263. | | |

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 | 220,104. |
| 2 | Enter amount from Part I, line 27a | 2 | 1,312,002. |
| 3 | Other increases not included in line 2 (itemize) ▶ ATTACHMENT 6 | 3 | 1,298. |
| 4 | Add lines 1, 2, and 3 | 4 | 1,533,404. |
| 5 | Decreases not included in line 2 (itemize) ▶ ATTACHMENT 7 | 5 | 1,110,141. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 423,263. |

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 PART IV SCHEDULE | | | | |
| 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 | | | (l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) | |
| (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | | |
| a | | | | |
| 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 | 1,107,333. |
| 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. | | | } | 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 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 | 292,100. | 104,717. | 2.789423 |
| 2008 | 335,811. | 84,195. | 3.988491 |
| 2007 | 516,456. | 129,735. | 3.980853 |
| 2006 | 409,569. | 71,099. | 5.760545 |
| 2005 | 361,997. | 265,820. | 1.361813 |
| 2 Total of line 1, column (d) | | | 2 17.881125 |
| 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 3.576225 |
| 4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | | | 4 129,203. |
| 5 Multiply line 4 by line 3 | | | 5 462,059. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | | | 6 11,057. |
| 7 Add lines 5 and 6 | | | 7 473,116. |
| 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 | | | 8 508,935. |

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits and payments. Total tax due is 9,524.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity statements. Columns include question number, Yes, and No. Includes questions about political campaigns, unrelated business income, and state reporting.

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? 13 X
Website address N/A
14 The books are in care of CHARLES T. MUNGER, JR. Telephone no (650) 926-5326
Located at 1423 HAMILTON AVE. PALO ALTO, CA ZIP + 4 94301
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 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 Yes No X
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.
1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes X No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes X No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) Yes X 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)? 1b X
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? Yes X No
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions) 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
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes X 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) 3b X
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
 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
- b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870
- 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
- b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

| | | |
|----|--|---|
| | | |
| 5b | | |
| 6b | | X |
| 7b | | X |

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 |
|----------------------|-----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------|---------------------------------------|
| ATTACHMENT 8 | | 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

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 | | NONE |

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 NONE | |
| 2 | |
| All other program-related investments See page 24 of the instructions | |
| 3 NONE | |
| 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 | 6,348. |
| b | Average of monthly cash balances | 1b | 124,823. |
| 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 | 131,171. |
| 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 | 0. |
| 3 | Subtract line 2 from line 1d | 3 | 131,171. |
| 4 | Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions) | 4 | 1,968. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 129,203. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 6,460. |

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 | 6,460. |
| 2a | Tax on investment income for 2010 from Part VI, line 5 | 2a | 11,057. |
| b | Income tax for 2010 (This does not include the tax from Part VI) | 2b | |
| c | Add lines 2a and 2b | 2c | 11,057. |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1 | 3 | -4,597. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | -4,597. |
| 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 | |

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 | 508,935. |
| b | Program-related investments - total from Part IX-B | 1b | 0. |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 | 0. |
| 3 | Amounts set aside for specific charitable projects that satisfy the | | |
| a | Suitability test (prior IRS approval required) | 3a | 0. |
| b | Cash distribution test (attach the required schedule) | 3b | 0. |
| 4 | Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 508,935. |
| 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 | 11,057. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 497,878. |

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 | | | | 0. |
| 2 Undistributed income, if any, as of the end of 2010 | | | | |
| a Enter amount for 2009 only | | | | |
| b Total for prior years 20 08 , 20 07 , 20 06 | | 0. | | |
| 3 Excess distributions carryover, if any, to 2010 | | | | |
| a From 2005 | 355,642. | | | |
| b From 2006 | 415,674. | | | |
| c From 2007 | 515,853. | | | |
| d From 2008 | 337,899. | | | |
| e From 2009 | 288,480. | | | |
| f Total of lines 3a through e | 1,913,548. | | | |
| 4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 508,935. | | | | |
| 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 | | | | 0. |
| e Remaining amount distributed out of corpus | 508,935. | | | |
| 5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0. | | | 0. |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 2,422,483. | | | |
| 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 page 27 of the instructions | | 0. | | |
| 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) | 355,642. | | | |
| 9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a | 2,066,841. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2006 | 415,674. | | | |
| b Excess from 2007 | 515,853. | | | |
| c Excess from 2008 | 337,899. | | | |
| d Excess from 2009 | 288,480. | | | |
| e Excess from 2010 | 508,935. | | | |

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

- 1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling
- b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

| | Tax year | Prior 3 years | | | (e) Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------|----------|----------|-----------|
| | (a) 2010 | (b) 2009 | (c) 2008 | (d) 2007 | |
| 2 a 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.
- 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

| Recipient Name and address (home or business) | 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 |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|----------|
| <i>a Paid during the year</i> | | | | |
| ATTACHMENT 9 | | | | |
| Total ▶ 3a | | | | 508,935. |
| <i>b Approved for future payment</i> | | | | |
| Total ▶ 3b | | | | |

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No [X]

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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

Signature of officer or trustee: Charles S. Munger Jr Date: May 7, 2011 Title: Trustee

Paid Preparer Use Only section containing fields for Print/Type preparer's name (MICHAEL S. DREYER), Preparer's signature, Date (5-3-11), Firm's name (DREYER, EDMONDS & ROBBINS), Firm's address (355 S. GRAND AVENUE, SUITE 1710 LOS ANGELES, CA), Firm's EIN (95-3683517), and Phone no (213-683-8790).

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

2010

Name of the organization
CNC FOUNDATION

Employer identification number
77-6160567

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

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 (1) \$5,000 or (2) 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 an *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 its 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).

Name of organization **CNC FOUNDATION**

Employer identification number
77-6160567

Part I Contributors (see instructions)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | CHARLES T. MUNGER, JR. ----- 1423 HAMILTON AVE. ----- PALO ALTO, CA 94301 ----- | \$ 715,200. ----- | Person <input checked="" 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) |
| ----- | ----- | \$ ----- ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |

Name of organization **CNC FOUNDATION**

Employer identification number
77-6160567

Part II Noncash Property (see instructions)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---------------------|-------------------------------------------|------------------------------------------|-------------------|
| 1 | 6 SHS BERKSHIRE HATHAWAY CLA | \$ 715,200. | 12/15/2010 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

| Kind of Property | | Description | | | | P or D | Date acquired | Date sold |
|----------------------------------------------|---------------------------------------|------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------------|--------------|----------------------|-----------|
| Gross sale price less expenses of sale | Depreciation allowed/ allowable | Cost or other basis | FMV as of 12/31/69 | Adj basis as of 12/31/69 | Excess of FMV over adj basis | | Gain or (loss) | |
| 393,955. | | 4 SHS BERKSHIRE HATHAWAY CLA PROPERTY TYPE: SECURITIES 64. | | | | D | 393,891. | |
| 713,538. | | 6 SHS BERKSHIRE HATHAWAY CLA PROPERTY TYPE: SECURITIES 96. | | | | D | 713,442. | |
| TOTAL GAIN (LOSS) | | | | | | | <u>1,107,333.</u> | |



MICHAEL S DREYER

EMA Fiscal Statement

SUMMARY OF CHECKING ACTIVITY

| Date Cleared | Date Written | Check Number | Payee | Amount |
|--------------|--------------|--------------|--------------------------------|-----------|
| 01/04/10 | 11/08/09 | 00000989 | BREAD OF LIFE EAST PALO ALTO | 5,000.00 |
| 01/13/10 | 11/18/09 | 00000967 | NEW HORIZONS.FDN, INC | 5,000.00 |
| 01/13/10 | N/A | | SALVATION ARMY | 20,000.00 |
| 01/07/10 | 11/18/09 | 00000970# | MISSION YEAR | 4,000.00 |
| 01/07/10 | 11/20/09 | 00000998 | PENINSULA HABITAT FOR HUMANITY | 1,500.00 |
| 01/20/10 | 12/18/09 | 00000964 | HOOVER INSTITUTION | 5,000.00 |
| 01/04/10 | 12/18/09 | 00000965 | VILLAGE ENTERPRISE FUND | 20,000.00 |
| 01/04/10 | 12/18/09 | 00000968 | EASTSIDE COLLEGE PREPARATORY S | 10,000.00 |
| 01/08/10 | 12/18/09 | 00000969 | CANOPY | 1,000.00 |
| 01/06/10 | 12/18/09 | 00000971 | AMERICAN HEART ASSN | 100.00 |
| 01/04/10 | 12/18/09 | 00000972 | CARSON SCHOLARS FUND INC | 500.00 |
| 01/04/10 | 12/18/09 | 00000973 | KOPD | 200.00 |
| 01/08/10 | 12/18/09 | 00000974 | AMERICAN CANCER SOCIETY | 50.00 |
| 01/05/10 | 12/18/09 | 00000976 | EAPE | 10,000.00 |
| 01/05/10 | 12/18/09 | 00000977 | MONTEREY BAY AQUARIUM | 500.00 |
| 01/06/10 | 12/18/09 | 00000978 | WORLD CONCERN | 2,000.00 |
| 01/11/10 | 12/18/09 | 00000979 | FULLER SEMINARY | 10,000.00 |
| 01/07/10 | 12/18/09 | 00000980 | JOHN SCOTT MINISTRIES | 10,000.00 |
| 01/11/10 | 12/18/09 | 00000981 | HEIFER INTL | 500.00 |
| 01/06/10 | 12/18/09 | 00000982 | INTERVARSITY CHRISTIAN FELLOWS | 15,000.00 |
| 01/04/10 | 12/18/09 | 00000984 | WYCLIFFE BIBLE TRANSLATORS | 5,000.00 |
| 01/07/10 | 12/18/09 | 00000985 | UNIVERSITY OF NOTRE DAME | 8,000.00 |
| 01/06/10 | 12/18/09 | 00000987 | CSUN FDN | 14,000.00 |
| 01/05/10 | 12/18/09 | 00000988 | BAYSHORE CHRISTIAN MINISTRIES | 15,000.00 |
| 01/11/10 | 12/18/09 | 00000990 | CA FAMILY FDN BEECHWOOD SCHOOL | 1,000.00 |
| 02/09/10 | 12/18/09 | 00000991 | CELIAC SPRUCE RESEARCH FDN | 250.00 |
| 01/06/10 | 12/18/09 | 00000992 | EPA PALO ALTO KIDS FOUNDATION | 100.00 |
| 01/08/10 | 12/18/09 | 00000993 | ENGLISH SPEAKING UNION | 1,000.00 |
| 01/12/10 | 12/18/09 | 00000994 | FREEDOM ALLIANCE SCHOLARSHIP | 15,000.00 |
| 01/11/10 | 12/18/09 | 00000995 | UNIV LAW SCH FUND | 2,000.00 |
| 01/11/10 | 12/18/09 | 00000997 | MID-PENNSULA HS | 200.00 |
| 02/04/10 | 12/18/09 | 00000999 | AMERICAN FUND FOR WINCHESTER C | 5,000.00 |
| 01/19/10 | 12/18/09 | 00001000 | YMCA OF THE MID-PENINSULA | 500.00 |
| 02/11/10 | 02/05/10 | 00001003 | GTR FOR CIVIC LEADERSHIP | 50,000.00 |
| 05/07/10 | 04/21/10 | 00001005 | COW/CTR FOR CIVIC LEADERSHIP | 50,000.00 |
| 04/29/10 | 04/24/10 | 00001006 | THE JOURNEY WITH JESUS FDN | 15,000.00 |
| 06/01/10 | 05/09/10 | 00001007 | CANTOR ARTS/CENTER | 485.00 |
| 05/24/10 | 05/17/10 | 00001008 | YMCA SILICON VALLEY | 300.00 |
| 05/25/10 | 05/19/10 | 00001004 | PALO ALTO PARTNERS IN EDUCATIO | 2,000.00 |

PLEASE SEE REVERSE SIDE

Page 8 of 11

Statement Period Year Ending 12/31/10

Account No 230-04D40

X 00528177





MICHAEL S DREYER

EMA Fiscal Statement

SUMMARY OF CHECKING ACTIVITY

| Date Cleared | Date Written | Check Number | Payee | Amount |
|--------------|--------------|--------------|--------------------------------|-----------|
| 06/24/10 | 06/07/10 | 00001009 | UC SANTA BARBARA FOUNDATION | 12,000.00 |
| 12/06/10 | 08/24/10 | 00001010 | MENLO-PARK-PRESBY/CH | 500.00 |
| 09/08/10 | 08/28/10 | 00001011 | VILLAGE ENTERPRISE FUND | 1,000.00 |
| 12/27/10 | 11/17/10 | 00001038 | INTERNATIONAL JUSTICE MISSION | 30,000.00 |
| 12/01/10 | 11/22/10 | 00001015 | PALO ALTO PARTNERS IN EDUCATIO | 10,000.00 |
| 12/06/10 | 11/25/10 | 00001016 | UNIV OF WASHINGTON | 15,000.00 |
| 12/23/10 | 12/07/10 | 00001025 | JOHN STOTT MINISTRIES | 10,000.00 |
| 12/29/10 | 12/12/10 | 00001037 | CHRISTIAN LEGAL SOCIETY | 200.00 |
| 12/23/10 | 12/17/10 | 00001017 | KQED | 500.00 |
| 12/28/10 | 12/17/10 | 00001018 | AMERICAN HEART ASSN | 100.00 |
| 12/28/10 | 12/17/10 | 00001019 | EAST PALO ALTO KIDS FDN | 100.00 |
| 12/22/10 | 12/17/10 | 00001020 | BERKELEY SOC FOR THE PREVENTIO | 10,000.00 |
| 12/30/10 | 12/17/10 | 00001021 | AMER CANCER SOC | 50.00 |
| 12/23/10 | 12/17/10 | 00001023 | MONTEREY BAY AQUARIUM | 500.00 |
| 12/29/10 | N/A | 00001024 | SALVATION ARMY | 4,000.00 |
| 12/30/10 | 12/17/10 | 00001026 | MISSION YEAR | 10,000.00 |
| 12/27/10 | 12/17/10 | 00001027 | FIRST RESORT | 20,000.00 |
| 12/27/10 | 12/17/10 | 00001028 | THE JOURNEY WITH JESUS FDN | 10,000.00 |
| 12/27/10 | 12/17/10 | 00001029 | FULLER SEMINARY | 10,000.00 |
| 12/27/10 | 12/17/10 | 00001031 | EASTSIDE COLLEGE PREPARATORY S | 8,000.00 |
| 12/29/10 | 12/17/10 | 00001032 | UNIV OF NOTRE DAME | 5,000.00 |
| 12/23/10 | 12/17/10 | 00001033 | BREAD OF LIFE-EAST PALO ALTO | 5,000.00 |
| 12/23/10 | 12/17/10 | 00001034 | THE MENDENHALL MINISTRIES | 5,000.00 |
| 12/23/10 | 12/17/10 | 00001035 | WYCLIFFE BIBLE TRANSLATOR | 5,000.00 |
| 12/27/10 | 12/17/10 | 00001036 | VARSITY CHRISTIAN FELLOWSHIP | 20,000.00 |
| 12/27/10 | 12/17/10 | 00001040 | WORLD CONCERN | 2,000.00 |
| 12/27/10 | 12/17/10 | 00001041 | HEIFFER INTL | 500.00 |
| 12/22/10 | 12/17/10 | 00001042 | AVENIDAS | 100.00 |
| 12/22/10 | 12/17/10 | 00001043 | BAYSHORE CHRISTIAN MINISTRIES | 15,000.00 |
| 12/22/10 | 12/17/10 | 00001044 | CA FAM FDN BEECHWOOD SCH | 1,000.00 |
| 12/27/10 | 12/17/10 | 00001045 | CANOPY | 1,000.00 |
| 12/22/10 | 12/17/10 | 00001047 | CARSON SCHOLARS-FUND INC | 500.00 |
| 12/30/10 | 12/17/10 | 00001049 | DOWNTOWN STREETS TEAM | 500.00 |
| 12/27/10 | 12/17/10 | 00001251 | ENGLISH SPEAKING UNION | 3,000.00 |
| 12/23/10 | 12/17/10 | 00001252 | NEW HORIZONS FOUNDATION | 10,000.00 |
| 12/22/10 | 12/17/10 | 00001255 | THE LEUKEMIA & LYMPHOMA SOC | 350.00 |

PLEASE SEE REVERSE SIDE

Page 9 of 11

Statement Period 12/31/10

Account No 230-04D40





TOTAL MERRILL

Account Number: 230-04D40

YOUR EMA TRANSACTIONS

January 01 2011 - January 31, 2011

| Date | Transaction Type | Quantity | Description | Income | Year To Date |
|------------------|-----------------------------|----------|-------------------------|--------------|--------------|
| 01/31 | Bank Interest | | BANK DEPOSIT INTEREST | 25.82 | |
| | Income Total | | ML BANK DEPOSIT PROGRAM | 10 00 | |
| | Subtotal (Taxable Interest) | | | 35.82 | 35.82 |
| NET TOTAL | | | | 35.82 | 35.82 |

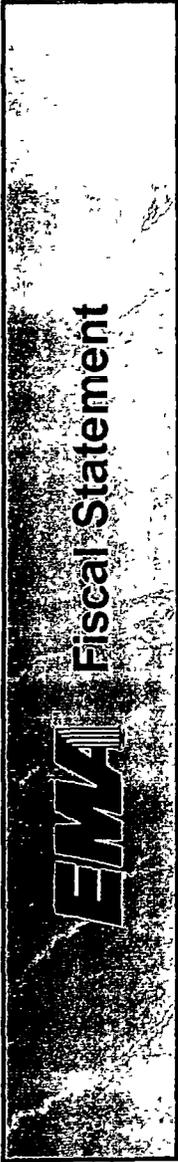
| Date | Transaction Type | Quantity | Description | Debit | Credit |
|------------------|---------------------------------|----------|-------------------|-------------|--------|
| 01/31 | Service-Charge | | 12 CHECKS WRITTEN | 1.80 | |
| | Subtotal (Other Debits/Credits) | | | 1.80 | |
| NET TOTAL | | | | 1.80 | |

| Date Written | Date Cleared | Check Number | Description | Debit | Credit |
|------------------|--------------|--------------|--------------------------------|---------------------|--------|
| 12/17 | 01/03 | 1022 | HOOVER INST | 5,000.00 | |
| 12/17 | 01/03 | 1030* | FREEDOM ALLIANCE SCHOLARSHIP F | 25,000.00 | |
| 12/17 | 01/05 | 1039* | AMER FRIENDS OF WINCHESTER COL | 3,500.00 | |
| 12/17 | 01/24 | 1046* | CANTOR ARTS CTR | 500.00 | |
| 12/17 | 01/05 | 1050* | EAPE | 10,000.00 | |
| 12/21 | 01/10 | 1258* | BARSTOW UNIFIED SCH DIST | 14,000.00 | |
| 12/21 | 01/21 | 1259 | CALAVERAS USD | 6,000.00 | |
| 12/21 | 01/10 | 1260 | MANTECS USD LOGIC | 32,000.00 | |
| 12/21 | 01/04 | 1261 | NEW HAVEN UNIFIED SCH DIST | 26,000.00 | |
| 11/21 | 01/07 | 1262 | SANTA CRUZ CITY SCHOOLS | 12,000.00 | |
| 12/27 | 01/04 | 1263 | UCSC FDN | 10,000.00 | |
| 01/02 | 01/07 | 1264 | UC REGENTS | 1,000.00 | |
| NET TOTAL | | | | 144,000.00 | |
| NET TOTAL | | | | 145,000.00 | |

* Indicates gap in check sequence

To report Lost or Stolen Visa/Cards or Checks, please call (800) CMA-LOST.

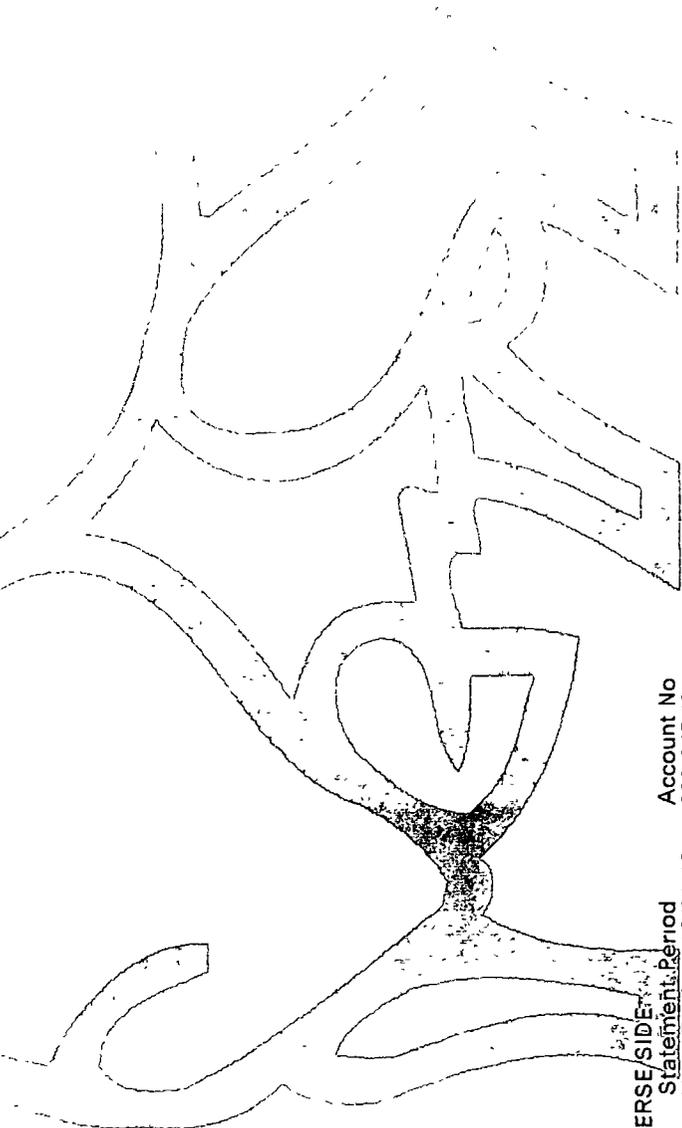




SUMMARY OF CHECKING ACTIVITY

| Date Cleared | Date Written | Check Number | Payee | Amount |
|-----------------------------------------------|--------------|--------------|----------------------|----------------|
| 12/29/10 | 12/18/10 | 100001236 | HARVARD WESTLAKE SCH | 1 000 00 |
| # Check converted to ACH debit by payee | | | | |
| Total Checking-Activity | | | | 364,685 |
| # 1048 (2010ck cleared 3/11) | | | | 144,000 |
| 2010 checks cleared in 2011 | | | | 508,685 |
| CELIA'S SPRUE RESEARCH FDN | | | | 250 |
| REALIZED CAPITAL GAIN AND LOSS SUMMARY | | | | 508,935 |

| Quantity | Security Description | Date of Acquisition | Date of Liquidation | Sale Amount | Cost Basis | Gain or (Loss) |
|----------|------------------------|---------------------|---------------------|-------------|------------|----------------|
| 4.0000 | BERKSHIRE HATHAWAY INC | 04/06/66 | 12/29/09 | 393,954.51 | 58.60 | 393,895.91 LT |
| 6.0000 | BERKSHIRE HATHAWAY INC | 10/14/10 | 12/17/10 | 713,537.57 | N/A | N/C |



ATTACHMENT 1

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>ADJUSTED NET INCOME</u> |
|--------------------|---------------------------------------------------|--------------------------------------|------------------------------------|
| MERRILL LYNCH | 190. | 190. | 190. |
| TOTAL | <u>190.</u> | <u>190.</u> | <u>190.</u> |

ATTACHMENT 2

FORM 990PF, PART I - ACCOUNTING FEES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>ADJUSTED NET INCOME</u> | <u>CHARITABLE PURPOSES</u> |
|---------------------------|---------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------|
| DREYER, EDMONDS & ROBBINS | 1,610. | 1,610. | 1,610. | |
| TOTALS | <u>1,610.</u> | <u>1,610.</u> | <u>1,610.</u> | <u>0.</u> |

ATTACHMENT 3

FORM 990PF, PART I - TAXES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>ADJUSTED NET INCOME</u> |
|---------------------|---------------------------------------------------|--------------------------------------|------------------------------------|
| FRANCHISE TAX BOARD | 10. | 10. | 10. |
| TOTALS | <u>10.</u> | <u>10.</u> | <u>10.</u> |

FORM 990PF, PART I - OTHER EXPENSES

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME | ADJUSTED NET INCOME |
|------------------|-----------------------------------------|-----------------------------|---------------------------|
| CHECK USAGE FEE | 11. | 11. | 11. |
| ML ANNUAL FEE | 80. | 80. | 80. |
| ATTORNEY GENERAL | 75. | 75. | 75. |
| TOTALS | <u>166.</u> | <u>166.</u> | <u>166.</u> |

ATTACHMENT 5

FORM 990PF, PART II - CORPORATE STOCK

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|------------------------|------------------------------|-----------------------|
| 15 SHS WASHINGTON POST | 11,303. | 6,593. |
| TOTALS | <u>11,303.</u> | <u>6,593.</u> |

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|--------------------|---------------|
| OTHER TRANSFER | 1,298. |
| TOTAL | <u>1,298.</u> |

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|-----------------------------------|-------------------|
| BOOK/TAX DIFFERENCE OF STOCK SOLD | 1,109,240. |
| OTHER ADJUSTMENT | 901. |
| TOTAL | <u>1,110,141.</u> |

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 8

| <u>NAME AND ADDRESS</u> | <u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u> | <u>COMPENSATION</u> | <u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u> | <u>EXPENSE ACCT AND OTHER ALLOWANCES</u> |
|----------------------------------------------------------------------|-------------------------------------------------------------|---------------------|------------------------------------------------|------------------------------------------|
| CHARLES T. MUNGER JR. 1423 HAMILTON AVENUE PALO ALTO, CA 94301 | CO-TRUSTEE | 0. | 0. | 0. |
| CHARLOTTE LOWELL 1423 HAMILTON AVENUE PALO ALTO, CA 94301 | CO-TRUSTEE | 0. | 0. | 0. |
| <u>GRAND TOTALS</u> | | <u>0.</u> | <u>0.</u> | <u>0.</u> |

FORM 990FE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 9

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

SEE ATTACHED SCHEDULE

NONE
501(C)(3)

CHARITABLE

508,935.

TOTAL CONTRIBUTIONS PAID

508,935.

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

OMB No 1545-0092

2010

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

Name of estate or trust

CNC FOUNDATION

Employer identification number

77-6160567

Note: Form 5227 filers need to complete *only* Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

| (a) Description of property (Example 100 shares 7% preferred of "Z" Co) | (b) Date acquired (mo, day, yr) | (c) Date sold (mo, day, yr) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) for the entire year Subtract (e) from (d) |
|----------------------------------------------------------------------------|------------------------------------|--------------------------------|-----------------|-----------------------------------------------|--------------------------------------------------------------------|
| 1a | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
| b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b | 1b | |
| 2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 | 2 | |
| 3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts | 3 | |
| 4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet | 4 | () |
| 5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back | 5 | |

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

| (a) Description of property (Example 100 shares 7% preferred of "Z" Co) | (b) Date acquired (mo, day, yr) | (c) Date sold (mo, day, yr) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) for the entire year Subtract (e) from (d) |
|----------------------------------------------------------------------------|------------------------------------|--------------------------------|-----------------|-----------------------------------------------|--------------------------------------------------------------------|
| 6a | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b | 6b | 1,107,333. |
| 7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 | 7 | |
| 8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts | 8 | |
| 9 Capital gain distributions | 9 | |
| 10 Gain from Form 4797, Part I | 10 | |
| 11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet | 11 | () |
| 12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back | 12 | 1,107,333. |

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2010

| Part III Summary of Parts I and II Caution: Read the instructions before completing this part. | | (1) Beneficiaries' (see instr) | (2) Estate's or trust's | (3) Total |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------|-------------------------|------------|
| 13 | Net short-term gain or (loss) | 13 | | |
| 14 | Net long-term gain or (loss): | | | |
| a | Total for year | 14a | | 1,107,333. |
| b | Unrecaptured section 1250 gain (see line 18 of the wrksh) | 14b | | |
| c | 28% rate gain | 14c | | |
| 15 | Total net gain or (loss). Combine lines 13 and 14a | 15 | | 1,107,333. |

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary

| Part IV Capital Loss Limitation | | 16 |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 16 | Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of a The loss on line 15, column (3) or b \$3,000 | () |

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col (2) is more than zero

| | | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|--|
| 17 | Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) | 17 | | |
| 18 | Enter the smaller of line 14a or 15 in column (2) but not less than zero | 18 | | |
| 19 | Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) | 19 | | |
| 20 | Add lines 18 and 19 | 20 | | |
| 21 | If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- | 21 | | |
| 22 | Subtract line 21 from line 20 If zero or less, enter -0- | 22 | | |
| 23 | Subtract line 22 from line 17 If zero or less, enter -0- | 23 | | |
| 24 | Enter the smaller of the amount on line 17 or \$2,300 | 24 | | |
| 25 | Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23. | 25 | | |
| 26 | Subtract line 25 from line 24 | 26 | | |
| 27 | Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22 | 27 | | |
| 28 | Enter the amount from line 26 (If line 26 is blank, enter -0-) | 28 | | |
| 29 | Subtract line 28 from line 27 | 29 | | |
| 30 | Multiply line 29 by 15% (15) | | 30 | |
| 31 | Figure the tax on the amount on line 23 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041). | | 31 | |
| 32 | Add lines 30 and 31 | | 32 | |
| 33 | Figure the tax on the amount on line 17 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041). | | 33 | |
| 34 | Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36). | | 34 | |

