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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, 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

Bob & Marie Gallo Foundation
P.O. Box 1130
Modesto, CA 95353

A	Employer identification number
91-2048972	
B	Telephone number (see the instructions)
(209) 341-3142	
C	If exemption application is pending, check here ► <input type="checkbox"/>
D	1 Foreign organizations, check here ► <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
E	If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>
F	If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

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, column (c), line 16) J Accounting method: Cash Accrual
 Other (specify) ► \$ 8,919,714. (Part I, column (d) must be on cash basis.)

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)	900,000.			
	2 Ck ► <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	162.	162.		
	4 Dividends and interest from securities	230,654.	230,654.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-97,274.			
	b Gross sales price for all assets on line 6a	2,253,478.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
See Statement 1	286,123.				
12 Total. Add lines 1 through 11	1,319,665.	230,816.	0.		
ADMINISTRATIVE OPERATING AND EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages	21,671.			21,671.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 2	12,538.			
	c Other prof fees (attach sch) See St 3	11,272.			11,272.
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Stm 4	9,333.	4,388.	1,945.	
	19 Depreciation (attach sch) and depletion	5,216.			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 5	559,722.	33,602.	526,040.	
	24 Total operating and administrative expenses. Add lines 13 through 23	619,752.	37,990.	560,928.	
25 Contributions, gifts, grants paid Part XV	211,500.			211,500.	
26 Total expenses and disbursements. Add lines 24 and 25	831,252.	37,990.	0.	772,428.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements.	488,413.				
b Net investment income (if negative, enter -0-)		192,826.			
c Adjusted net income (if negative, enter -0-)			0.		

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
1	1 Cash – non-interest-bearing . . .			
2	2 Savings and temporary cash investments	241,669.	281,280.	281,280.
3	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
4	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
5	5 Grants receivable			
6	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
7	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
8	8 Inventories for sale or use			
9	9 Prepaid expenses and deferred charges			
10a	10a Investments – U S and state government obligations (attach schedule)	938,100.	865,931.	921,035.
b	b Investments – corporate stock (attach schedule)	4,310,664.	4,276,869.	5,292,422.
c	c Investments – corporate bonds (attach schedule)	848,048.	1,421,699.	1,477,696.
11	11 Investments – land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
12	12 Investments – mortgage loans			
13	13 Investments – other (attach schedule)	867,527.	851,576.	925,604.
14	14 Land, buildings, and equipment basis. ► 30,293.			
	Less: accumulated depreciation (attach schedule) See Stmt 6 ► 8,616.	24,611.	21,677.	21,677.
15	15 Other assets (describe ►)			
16	16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item I) ►	7,230,619.	7,719,032.	8,919,714.
L	17 Accounts payable and accrued expenses			
A	18 Grants payable			
B	19 Deferred revenue			
I	20 Loans from officers, directors, trustees, & other disqualified persons			
L	21 Mortgages and other notes payable (attach schedule)			
T	22 Other liabilities (describe ►)			
I	23 Total liabilities (add lines 17 through 22) ►	0.	0.	
N	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ► <input type="checkbox"/>			
F	24 Unrestricted			
E	25 Temporarily restricted			
T	26 Permanently restricted			
A	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>			
S	27 Capital stock, trust principal, or current funds	7,009,000.	7,009,000.	
B	28 Paid-in or capital surplus, or land, building, and equipment fund			
E	29 Retained earnings, accumulated income, endowment, or other funds	221,619.	710,032.	
T	30 Total net assets or fund balances (see the instructions) ►	7,230,619.	7,719,032.	
A	31 Total liabilities and net assets/fund balances (see the instructions) ►	7,230,619.	7,719,032.	

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	7,230,619.
2	Enter amount from Part I, line 27a	2	488,413.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	7,719,032.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	7,719,032.

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)
1a Publicly Traded Securities			P	Various	Various
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 2,253,478.		2,350,752.	-97,274.		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))		
(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			
a			-97,274.		
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	-97,274.	
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	0.	

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	625,919.	6,988,339.	0.089566
2008	675,715.	8,638,498.	0.078221
2007	673,239.	9,643,837.	0.069810
2006	664,970.	9,231,388.	0.072034
2005	402,706.	7,921,704.	0.050836

2 Total of line 1, column (d) 2 0.360467

3 Average distribution ratio for the 5-year base period -- divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years 3 0.072093

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 4 8,129,660.

5 Multiply line 4 by line 3 5 586,092.

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 1,928.

7 Add lines 5 and 6 7 588,020.

8 Enter qualifying distributions from Part XII, line 4 8 774,710.

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 type="checkbox"/> and enter 'N/A' on line 1.	
Date of ruling or determination letter. _____ (attach copy of letter if necessary – see instr.)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1 1,928.
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 0.
3	Add lines 1 and 2	3 1,928.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4 0.
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5 1,928.
6 Credits/Payments		
a	2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 2,791.
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 2,791.
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 0.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 863.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax ► 863. Refunded ► 11 0.	

Part VII-A | Statements Regarding Activities

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?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1 b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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.		
1 c	Did the foundation file Form 1120-POL for this year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:	(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.	
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
4 a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:	
<ul style="list-style-type: none"> • 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? 		
7	Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XIV	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8 a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ► CA	
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
10	Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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Form 990-PF (2010)

Part VII-A Statements Regarding Activities (Continued)

11		X
12		X
13	X	
Website address ► <u>N/A</u>		
14	Telephone no ► <u>(209) 341-3142</u>	
Located at ► <u>600 Yosemite Blvd. Modesto CA</u> ZIP + 4 ► <u>95354</u>		
15	N/A	► <input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u> N/A		
16	Yes	No
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 ►		

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

	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)?	1b	N/A
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If 'Yes,' list the years ► <u>20__ , 20__ , 20__ , 20__</u> .		
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)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► <u>20__ , 20__ , 20__ , 20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If 'Yes,' did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	N/A
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))?

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

(3) Provide a grant to an individual for travel, study, or other similar purposes?

(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)

(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 Yes No Yes No Yes No Yes Nob 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 N/A

Organizations relying on a current notice regarding disaster assistance check here ►

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A Yes NoIf 'Yes,' attach the statement required by *Regulations section 53.4945-5(d)*

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

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

If 'Yes' to 6b, file Form 8870.

6b X

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?

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see 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
See Statement 7 -----		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
None -----				

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

►

0

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

3 Five highest-paid independent contractors for professional services (see 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 ► 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	Restoration and development of wildlife habitat on the San Joaquin Federal Wildlife Reserve in the San Joaquin Valley of California.	560,928.
2		
3		
4		

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

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Form 990-PF (2010)

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 6,911,193.
b	Average of monthly cash balances	1b 434,303.
c	Fair market value of all other assets (see instructions)	1c 907,966.
d	Total (add lines 1a, b, and c)	1d 8,253,462.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.
2	Acquisition indebtedness applicable to line 1 assets	2 0.
3	Subtract line 2 from line 1d	3 8,253,462.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 123,802.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 8,129,660.
6	Minimum investment return. Enter 5% of line 5	6 406,483.

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	1 406,483.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 1,928.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 1,928.
3	Distributable amount before adjustments Subtract line 2c from line 1	3 404,555.
4	Recoveries of amounts treated as qualifying distributions	4 286,123.
5	Add lines 3 and 4	5 690,678.
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	7 690,678.

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 772,428.
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 2,282.
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	4 774,710.
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 1,928.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 772,782.

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				690,678.
2 Undistributed income, if any, as of the end of 2010			0.	
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				
b From 2006				
c From 2007				
d From 2008				
e From 2009	180,709.			
f Total of lines 3a through e	180,709.			
4 Qualifying distributions for 2010 from Part XII, line 4. ► \$ 774,710.			0.	
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2010 distributable amount				690,678.
e Remaining amount distributed out of corpus	84,032.			
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:	264,741.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		0.		
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions.		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount – see 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)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a .	264,741.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009	180,709.			
e Excess from 2010	84,032.			

BAA

Form 990-PF (2010)

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

N/A

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling				►	
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/> 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					
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)(ii)					
(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).)

See Statement 8

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

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

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

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

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> Schedule Attached			Schedule Attached	211,500.
Total				► 3a 211,500.
<i>b Approved for future payment</i>				
Total BAA				► 3b

Part XVI-A Analysis of Income-Producing Activities

	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					
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	162.	
4 Dividends and interest from securities			14	230,654.	
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			1	-97,274.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a <u>Program Reimbursement</u>					286,123.
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				133,542.	286,123.
13 Total. Add line 12, columns (b), (d), and (e)				13	419,665.

(See worksheet in line 13 instructions to verify calculations)

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

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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

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

	Yes	No
1a (1)		X
1a (2)		X
1b (1)		X
1b (2)		X
1b (3)		X
1b (4)		X
1b (5)		X
1b (6)		X
1c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
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

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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.

Sign
Here

Signature of officer or trustee

1 5/24/11

Chairman

Signature of officer or trustee		Date	File No.
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	Margaret Armstrong, CPA	Margaret Armstrong, CPA	5/24/11
	Firm's name ►	TAX AND FINANCIAL SERVICES	Firm's EIN ► 94-1009696
	Firm's address ►	PO BOX 1130 MODESTO, CA 95353-1130	Phone no (209) 341-3509

BAA

Form 990-PF (2010)

Schedule B
(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047

Schedule of Contributors

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

2010

Name of the organization

Bob & Marie Gallo Foundation

Employer identification number

91-2048972

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

Name of organization

Bob & Marie Gallo Foundation

Employer identification number

91-2048972

Part II Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Robert J. Gallo 1716 Maze Blvd. Modesto, CA 95358	\$ 900,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
			(Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
			(Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
			(Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
			(Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
			(Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of 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

Bob & Marie Gallo Foundation

Employer identification number

91-2048972

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
	N/A	\$	
(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

Name of organization

Employer identification number

Bob & Marie Gallo Foundation

91-2048972

Part III *Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year.* Complete cols (a) through (e) and the following line entry

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.)

5

N/A

Bob & Marie Gallo Foundation

91-2048972

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

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Program Reimbursement	\$ 286,123.		
Total	\$ 286,123.	\$ 0.	\$ 0.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting & bookkeeping	\$ 12,538.			
Total	\$ 12,538.	\$ 0.	\$ 0.	\$ 0.

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Wildlife & habitat consulting	\$ 11,272.			\$ 11,272.
Total	\$ 11,272.	\$ 0.	\$ 0.	\$ 11,272.

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise tax	\$ 3,000.			
Foreign taxes on investment income	\$ 4,388.	\$ 4,388.		
Payroll taxes	\$ 1,945.			
Total	\$ 9,333.	\$ 4,388.	\$ 0.	\$ 1,945.

Bob & Marie Gallo Foundation

91-2048972

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Filing & registration fees	\$ 80.			
Habitat restoration labor	339,011.			\$ 339,011.
Habitat restoration seeds/plants	1,686.			1,686.
Habitat restoration supplies	150,246.			150,246.
Insurance	1,458.			1,458.
Investment fees	33,602.	\$ 33,602.		
Medical/Dental/Life Insurance	4,895.			4,895.
Office/Clerical Expense	168.			168.
Rental Expenses	1,981.			1,981.
Repair & Maintenance	712.			712.
Supplies	9,974.			9,974.
Utilities	14,760.			14,760.
Workers comp insurance	1,149.			1,149.
Total	<u>\$ 559,722.</u>	<u>\$ 33,602.</u>	<u>\$ 0.</u>	<u>\$ 526,040.</u>

Statement 6
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Auto./Transportation Equip.	\$ 6,500.	\$ 2,275.	\$ 4,225.	\$ 4,225.
Machinery and Equipment	17,280.	5,202.	12,078.	12,078.
Improvements	6,513.	1,139.	5,374.	5,374.
Total	<u>\$ 30,293.</u>	<u>\$ 8,616.</u>	<u>\$ 21,677.</u>	<u>\$ 21,677.</u>

Statement 7
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Robert J. Gallo P.O. Box 1130 Modesto, CA 95353	CEO 2.00	\$ 0.	\$ 0.	0.
Marie D. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Richard M. Beal P.O. Box 1130 Modesto, CA 95353	Secretary 0	0.	0.	0.

Statement 7 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contri- bution to EBP & DC	Expense Account/ Other
Julie G. Vander Wall P.O. Box 1130 Modesto, CA 95353	Director 0	\$ 0.	\$ 0.	\$ 0.
John R. Gallo P.O. Box 1130 Modesto, CA 95353	CFO 0	0.	0.	0.
Matthew J. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Thomas J. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Gina M. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Amy M. Gallo-Ballatore P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Mary E. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Total		\$ 0.	\$ 0.	\$ 0.

Statement 8
Form 990-PF, Part XV, Line 1a
Foundation Managers - 2% or More Contributors

Robert J. Gallo
Marie D. Gallo

BOB & MARIE GALLO FOUNDATION
91-2048972
December 31 2010

FORM 990-PF, PART II, LINE 10(a), INVESTMENTS - U.S. AND STATE OBLIGATIONS

U.S. OBLIGATIONS	MATURITY DATE	FACE VALUE	COST	CURRENT FMV 12/31/2010
4.375% US TREASURY NOTE	8/15/2012	200,000	197,797	212,656
4.5% US TREASURY NOTE	2/28/2011	250,000	246,982	251,670
MFO NORTHERN INFLATION PROTECTED SECURITIES FUND ADMIRAL			153,351	161,309
FEDERAL HOME LOAN MTG CORP	6/16/2552	275,000	267,801	295,400
			<u>865,931</u>	<u>921,035</u>

BOB & MARIE GALLO FOUNDATION			
91-2048972			
DECEMBER 31, 2010			
FORM 990-PF, PART II, LINE 10(b), INVESTMENTS - CORPORATE STOCK			
NAME OF STOCK	SHARES	COST	FMV
ADR NOVARTIS AG	550	29,140	32,423
ABBOTT LAB	420	16,071	20,122
AMERICAN EXPRESS CO	670	30,575	28,757
ALTERA CORP	825	13,564	29,354
AMAZON COM INC	145	10,719	26,100
APPLE INC	235	29,456	75,802
BERKSHIRE HATHAWAY INC-CL B	290	22,382	23,232
BHP BILLITON LTD	400	22,495	37,168
CHERVON CORP	570	40,460	52,013
CISCO SYSTEMS INC	1,510	23,472	30,547
CITRIX SYS INC	415	23,406	28,390
COLGATE-PALMOLIVE CO	230	18,393	18,485
CONOCOPHILLIPS COM	395	24,227	26,890
COSTCO WHOLESALE CORP	405	25,713	29,245
COVIDIEN PLC USD	575	28,900	26,255
CUMMINS INC	470	21,733	51,705
DANAHER CORP	1,260	25,605	59,434
DOMINION RES INC VA NEW COM	750	33,322	32,040
DU PONT E I DE NEMOURS & CO	990	38,284	49,381
EMC CORP COM	1,925	36,438	44,083
EMERSON ELECTRIC CO	880	39,850	50,310
EXXON MOBILE CORP	905	35,121	66,174
FEDEX CORP	415	33,170	38,599
FRANKLIN RES INC COM	275	27,308	30,583
GENERAL ELECTRIC	3,055	54,401	55,876
GOOGLE INC	80	32,828	47,518
GRAINGER WW INC	170	20,619	23,479
INTERNATIONAL BUSINESS MACHINES CORP	380	33,316	55,769
JOHNSON & JOHNSON	300	15,635	18,555
JOHNSON CONTROLS INC	870	22,324	33,234
J P MORGAN CHASE & CO	1,310	38,160	55,570
JUNIPER NETWORKS INC	615	21,087	22,706
KELLOGG CO	575	28,921	29,371
LOWES COS INC	740	20,791	18,559
MCKESSON CORP	580	34,566	40,821
MEDCO HEALTH SOLUTIONS INC	535	25,715	32,780
MFB NORTHERN EMERGING MARKETS EQUITY FUND	74,021	694,523	950,434
MFB NORTHERN FUNDS INTL EQUITY FUND	87,786	661,292	729,498
MFB NORTHERN INTL EQUITY INDEX FUND	77,057	733,791	811,413
MFB NORTHERN MID CAP INDEX FUND	24,994	218,085	298,930
MFB NORTHERN MULTI-MANAGER SMALL CAP FUND	30,397	283,674	312,790
MICROSOFT CORP	1,325	34,597	36,994
NATIONAL OILWELL VARCO	560	34,435	37,660
NIKE INC CL B	560	36,866	47,835
NOBLE ENERGY INC	265	14,340	22,811
OMNICON GROUP INC	460	20,891	21,068
ORACLE CORP	1,725	47,748	53,993
PEPSICO INC	715	32,149	46,711
PRINCIPAL FINL GROUP INC COM STK	1,250	31,095	40,700
PROCTOR & GAMBLE CO	705	34,246	45,353
SALESFORCE COM INC COM STK	310	29,694	40,920
SIMON PROPERTY GROUP	390	36,816	38,801
SPECTRA ENERGY CORP	1,895	29,935	47,356
SUNCOR ENERGY INC	805	24,100	30,824
TEVA PHARMACEUTICAL	435	18,470	22,677
TJX COMPANIES INC	820	27,532	36,400
TRAVELERS COMPANIES INC	720	38,303	40,111
UNITED TECHNOLOGIES CORP	345	14,801	27,159
UNITEDHEALTH GROUP INC	1,210	39,908	43,693
US BANCORP	780	19,574	21,037
WAL-MART STORES INC	405	19,917	21,842
WALT DISNEY CO	1,315	44,777	49,326
WELLS FARGO & CO	1,645	38,427	50,979
WHOLE FOODS	1,645	18,716	23,777
		4,276,869	5,292,422

BOB & MARIE GALLO FOUNDATION
91-2048972
December 31 2010

FORM 990-PF, PART II, LINE 10(c), INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	MATURITY DATE	FACE VALUE	COST	CURRENT FMV
				12/31/2010
MFB NORTHERN HI YIELD FXD INC FUND			829,721	885,357
MFB NORTHERN FDS BD INDEX FUND			341,646	341,278
4 125% WAL-MART STORES	6/16/2552	250,000	250,332	251,061
			<u>1,421,699</u>	<u>1,477,696</u>

BOB & MARIE GALLO FOUNDATION

91-2048972

December 31 2010

FORM 990-PF, PART II, LINE 13, OTHER INVESTMENTS

OTHER INVESTMENTS	COST	CURRENT FMV
		12/31/2010
MFB NORTHERN FDS GLOBAL REAL ESTATE	362,585	309,851
MFC SPDR GOLD TR GOLD SHARES	250,684	327,379
MFO PIMCO FDS PAC INVT MGMT SERVICE	238,307	288,374
	<u>851,576</u>	<u>925,604</u>

BOB AND MARIE GALLO FOUNDATION
 POST OFFICE BOX 1130
 MODESTO, CA 95353
 FISCAL YEAR ENDING: DECEMBER 31, 2010

TID: 91-2048972

FORM 990-PF, PART XV, LINE 3 (a)
 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	ADDRESS	AMOUNT
CHARITABLE CONTRIBUTIONS		
Central Valley Center for the Arts/Gallo Center for the Arts	1000 I Street, Modesto, CA 95354	175,000
Community Hospice Foundation of Stanislaus County	4368 Spyres Way, Modesto, CA 95356	500
Daughters of Charity Foundation	2131 West Third Street, Los Angeles, CA 90057	2,500
Diabetic Youth Foundation	5167 Clayton Road, Suite F, Concord, CA 94521	1,250
Great Valley Museum Foundation	1100 Stoddard Avenue, Modesto, CA 95350	1,500
Healdsburg Animal Shelter	570 Westside Road, Healdsburg, CA 95448	500
Healdsburg Shared Ministries	1505 Healdsburg Avenue, Healdsburg, CA 95448	500
Juvenile Diabetes Research Foundation, Northern California Chapter	13333 Howe Avenue, Suite 113, Sacramento, CA 95825	2,000
Modesto Area Aquatic Club	Post Office Box 4765, Modesto, CA 95352	1,000
Modesto Union Gospel Mission	Post Office Box 1203, Modesto, CA 95353	1,000
Naples Children & Education Foundation	6200 Shirley Street, Suite 206, Naples, FL 64109	5,000
Peter Gallo Memorial Foundation	Post Office Box 775, Atwater, CA 95301	500
Redwood Empire Food Bank	3320 Industrial Drive, Santa Rosa, CA 95403	500
Redwood Gospel Mission	Post Office Box 493, Santa Rosa, CA 95402	500
Society of St. Vincent de Paul of Sonoma County	Post Office Box 1095, Rohnert Park, CA 94927	500
Stanislaus Community Foundation	1226 - 11th Street, Suite B, Modesto, CA 95354	500
The Salvation Army, Modesto Citadel Corps	Post Office Box 1663, Modesto, CA 95353	1,000
TOTAL CHARITABLE CONTRIBUTIONS		194,250
RELIGIOUS CONTRIBUTIONS		
Net Ministries	1110 Crusader Avenue West, West St Paul, MN 55118	500
Sisters of the Cross of the Sacred Heart of Jesus	1320 Maze Boulevard, Modesto, CA 95351	1,500
St. Stanislaus Catholic Church	Post Office Box 292, Modesto, CA 95352	5,000
TOTAL RELIGIOUS CONTRIBUTIONS		7,000

Net Ministries	500
Sisters of the Cross of the Sacred Heart of Jesus	1,500
St. Stanislaus Catholic Church	5,000
TOTAL RELIGIOUS CONTRIBUTIONS	7,000

BOB AND MARIE GALLO FOUNDATION
POST OFFICE BOX 1130
MODESTO, CA 95353
FISCAL YEAR ENDING, DECEMBER 31, 2010

TID: 91-2048972

FORM 990-PF, PART XV, LINE 3 (a)
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

EDUCATIONAL CONTRIBUTIONS		
Central Catholic High School Foundation	200 South Carpenter Road, Modesto, CA 95351	1,750
Father John C. Silva Education Foundation	Post Office Box 4304, Modesto, CA 95352	1,000
Modesto Junior College	435 College Avenue, Modesto, CA 95350	1,000
Santa Clara University	500 El Camino Real, Santa Clara, CA 95053	1,500
St. John the Baptist Catholic School	217 Fitch Street, Healdsburg, CA 95448	2,500
Ursuline High School	90 Ursuline Road, Santa Rosa, CA 95403	2,500
TOTAL EDUCATIONAL CONTRIBUTIONS		10,250
2010 TOTAL GRANTS AND CONTRIBUTIONS		211,500

*All contributions made during the year were for general use in carrying out charitable, religious and educational activities