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Extended Return

Form **990-PF**

Return of Private Foundation

OMB No 1545-0052

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

, and ending

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation Vaterstetten Foundation c/o Gill, Kohr and Johnson, LLC		A Employer identification number 98-0215093
Number and street (or P.O. box number if mail is not delivered to street address) P.O. Box 967	Room/suite	B Telephone number (505) 988-2527
City or town, state, and ZIP code Santa Fe, NM 87504-0967		C If exemption application is pending, check here ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1 Foreign organizations, check here ☒ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 3,601,615.	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		5.	5.		Statement 1
4 Dividends and interest from securities		2,742.			Statement 2
5a Gross rents					
b Net rental income or (loss)		-619,902.			
6a Net gain or (loss) from sale of assets not on line 10					
b Gross sales price for all assets on line 6a		9,778,552.			
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		-157.	0.		Statement 3
12 Total. Add lines 1 through 11		-617,312.	5.		
13 Compensation of officers, directors, trustees, etc.		78,333.			62,667.
14 Other employee salaries and wages					
15 Pension plans, employee benefits		55,915.			44,732.
16a Legal fees					
b Accounting fees Stmt 4		12,315.			8,005.
c Other professional fees Stmt 5		3,181.			0.
17 Interest					
18 Taxes Stmt 6		5,968.			4,773.
19 Depreciation and depletion		6,784.			
20 Occupancy					
21 Travel, conferences, and meetings		2,708.			2,166.
22 Printing and publications					
23 Other expenses Stmt 7		25,642.			12,869.
24 Total operating and administrative expenses. Add lines 13 through 23		190,846.			135,212.
25 Contributions, gifts, grants paid		66,912.			66,912.
26 Total expenses and disbursements. Add lines 24 and 25		257,758.	N/A		202,124.
27 Subtract line 26 from line 12		-875,070.			
a Excess of revenue over expenses and disbursements			5.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

04614

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	37,668.	19,062.	19,062.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - US and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other Stmt 8	4,228,497.	3,381,326.	3,381,326.	
14 Land, buildings, and equipment basis ▶ 47,998.				
Less accumulated depreciation Stmt 9 ▶ 33,001.	19,333.	14,997.	14,997.	
15 Other assets (describe ▶ Concert Violin)	186,230.	186,230.	186,230.	
16 Total assets (to be completed by all filers)	4,471,728.	3,601,615.	3,601,615.	
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			
	22 Other liabilities (describe ▶ Statement 10)	1,950.	6,907.	
23 Total liabilities (add lines 17 through 22)	1,950.	6,907.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ☐			
	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.			
	27 Capital stock, trust principal, or current funds	0.	0.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	4,469,778.	3,594,708.		
30 Total net assets or fund balances	4,469,778.	3,594,708.		
31 Total liabilities and net assets/fund balances	4,471,728.	3,601,615.		

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	4,469,778.
2 Enter amount from Part I, line 27a	2	-875,070.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,594,708.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,594,708.

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Part IV Capital Gains and Losses for Tax on Investment Income

N/A

(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				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
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 }

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) { If gain, also enter in Part I, line 8, column (c)
If (loss), enter -0- in Part I, line 8 }

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)

N/A

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☐ No

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

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

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

2 Total of line 1, column (d)

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

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

5 Multiply line 4 by line 3

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

7 Add lines 5 and 6

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.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	0.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	0.
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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		
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ 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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ None		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

See Statement 11

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► Gill, Kohr & Johnson, LLC Telephone no ► (505) 988-2527 Located at ► PO Box 967, Santa Fe, NM ZIP+4 ► 87504-0967			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ 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 ☒ 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 ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	1b	X
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? If "Yes," list the years ►	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	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 ►	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	N/A	
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

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

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

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

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

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

☐ Yes ☒ No

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

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Andrew Thornhill	Trustee			
Suite 205-207 Dowell House, Roebuck & BARBADOS	3.00	8,000.	0.	0.
James M DeMay	Executive Director			
124 Tano Road	40.00	78,333.	0.	0.
Santa Fe, NM 87594				

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

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

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

0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
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 Distributing grants to charitable organizations.	
	66,913.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	3,035,448.
b	Average of monthly cash balances	1b	50,959.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,086,407.
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	3,086,407.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	46,296.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,040,111.
6	Minimum investment return. Enter 5% of line 5	6	152,006.

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	152,006.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	152,006.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	152,006.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	152,006.

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	202,124.
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	
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	202,124.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	202,124.

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.

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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				152,006.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005	303,185.			
b From 2006	173,528.			
c From 2007	21,545.			
d From 2008				
e From 2009				
f Total of lines 3a through e	498,258.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$	202,124.			
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				152,006.
e Remaining amount distributed out of corpus	50,118.			
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	548,376.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	303,185.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	245,191.			
10 Analysis of line 9				
a Excess from 2006	173,528.			
b Excess from 2007	21,545.			
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	50,118.			

N/A

- ▶

☐ 4942(I)(3) or ☐ 4942(I)(5)

- (4) Gross investment income**

Part XV	Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the instructions.)
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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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
See Statement 12				
Total			▶ 3a	66,913.
b <i>Approved for future payment</i>				
None				
Total			▶ 3b	0.

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

		Yes	No
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	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	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.		

[illegible]

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		

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		Oct 17, 2014 Date	Exec. Director Title		
Paid Preparer Use Only	Print/Type preparer's name Carol M. Cochran, CPA, CEBS, PFS, CMA		Preparer's signature 	Date 10-13-11	Check ☐ if self-employed	PTIN
	Firm's name ▶ REDW LLC				Firm's EIN ▶	
	Firm's address ▶ Post Office Box 93656 Albuquerque, NM 87199-3656				Phone no 505-998-3200	

Form **990-PF** (2010)

Asset Number	Description of property							
	Date placed in service	Method/ IRC sec	Life or rate	Line No	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	Computer Equipment							
	031704	SL	3.00	16	3,547.		3,547.	0.
2	IBM PC							
	051904	SL	3.00	16	6,065.		6,065.	0.
3	Fax Machine							
	111704	SL	5.00	16	425.		425.	0.
4	IBM PC							
	051105	SL	3.00	16	393.		393.	0.
5	Telephone System							
	121306	SL	5.00	16	1,521.		937.	304.
6	Office Equipment							
	063006	SL	5.00	16	485.		340.	97.
7	Computer Equipment							
	020106	SL	3.00	16	1,778.		1,778.	0.
8	Computer Equipment							
	021506	SL	3.00	16	1,381.		1,381.	0.
9	Computer Equipment							
	092006	SL	3.00	16	856.		856.	0.
10	Rosetta Stone							
	101806	SL	3.00	16	478.		478.	0.
11	Furniture and Equipment							
	101807	SL	5.00	16	117.		50.	23.
12	Computer Equipment							
	041107	SL	5.00	16	198.		110.	40.
13	Computer Equipment							
	051607	SL	5.00	16	430.		222.	86.
14	Computer Equipment							
	091907	SL	5.00	16	116.		52.	23.
15	Computer Equipment							
	101807	SL	5.00	16	6,508.		2,821.	1,302.
16	Computer Equipment							
	111307	SL	5.00	16	6,867.		2,975.	1,373.
17	Software							
	111307	SL	3.00	16	755.		546.	209.
18	Computer Equipment							
	031908	SL	5.00	16	965.		338.	193.
19	Computer Equipment							
	071608	SL	5.00	16	3,027.		857.	605.
20	Computer Equipment							
	102208	SL	5.00	16	4,785.		1,117.	957.
21	computer Equipment							
	123108	SL	5.00	16	1,176.		235.	235.
22	Software							
	120308	SL	3.00	16	1,373.		496.	458.
23	Computer Equipment							
	070809	SL	5.00	16	1,611.		161.	322.
24	Computer Equipment							
	091809	SL	5.00	16	244.		12.	49.
25	Software							
	102709	SL	3.00	16	449.		25.	150.
26	Computer Equipment							
	031110	SL	5.00	16	2,149.			358.
27	Software							
	123110	SL	3.00	16	299.			0.

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Bank of America	5.
Total to Form 990-PF, Part I, line 3, Column A	5.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Rahn & Bodmer	2,742.	0.	2,742.
Total to Fm 990-PF, Part I, ln 4	2,742.	0.	2,742.

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Rahn & Bodmer Foreign Currency Loss	-157.	0.	
Total to Form 990-PF, Part I, line 11	-157.	0.	

Form 990-PF Accounting Fees Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting	12,315.			8,005.
To Form 990-PF, Pg 1, ln 16b	12,315.			8,005.

Form 990-PF	Other Professional Fees			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Investment Fees	3,181.			0.	
To Form 990-PF, Pg 1, ln 16c	3,181.			0.	

Form 990-PF	Taxes			Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Payroll Taxes	5,967.			4,773.	
Other Taxes	1.			0.	
To Form 990-PF, Pg 1, ln 18	5,968.			4,773.	

Form 990-PF	Other Expenses			Statement	7
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Bank Charges	208.			166.	
Computer Support	3,795.			3,036.	
Dues and Subscriptions	695.			556.	
Entertainment/Meals	1,014.			659.	
Postage and Shipping	359.			287.	
Supplies	4,025.			4,025.	
Telephone	4,811.			3,849.	
Margin Interest	2,379.			0.	
Education	181.			145.	
Computer - Online	145.			116.	
Promotion	30.			30.	
Trustee Fees	8,000.			0.	
To Form 990-PF, Pg 1, ln 23	25,642.			12,869.	

Form 990-PF	Other Investments	Statement	8
Description	Valuation Method	Book Value	Fair Market Value
Rahn & Bodmer	FMV	3,381,326.	3,381,326.
Total to Form 990-PF, Part II, line 13		3,381,326.	3,381,326.

Form 990-PF	Depreciation of Assets Not Held for Investment	Statement	9
Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Computer Equipment	3,547.	3,547.	0.
IBM PC	6,065.	6,065.	0.
Fax Machine	425.	425.	0.
IBM PC	393.	393.	0.
Telephone System	1,521.	1,241.	280.
Office Equipment	485.	437.	48.
Computer Equipment	1,778.	1,778.	0.
Computer Equipment	1,381.	1,381.	0.
Computer Equipment	856.	856.	0.
Rosetta Stone	478.	478.	0.
Furniture and Equipment	117.	73.	44.
Computer Equipment	198.	150.	48.
Computer Equipment	430.	308.	122.
Computer Equipment	116.	75.	41.
Computer Equipment	6,508.	4,123.	2,385.
Computer Equipment	6,867.	4,348.	2,519.
Software	755.	755.	0.
Computer Equipment	965.	531.	434.
Computer Equipment	3,027.	1,462.	1,565.
Computer Equipment	4,785.	2,074.	2,711.
computer Equipment	1,176.	470.	706.
Software	1,373.	954.	419.
Computer Equipment	1,611.	483.	1,128.
Computer Equipment	244.	61.	183.
Software	449.	175.	274.
Computer Equipment	2,149.	358.	1,791.
Software	299.	0.	299.
Total To Fm 990-PF, Part II, ln 14	47,998.	33,001.	14,997.

Form 990-PF	Other Liabilities	Statement	10
Description	BOY Amount	EOY Amount	
Payroll Taxes Payable	1,950.	2,524.	
Credit Card Payable	0.	4,383.	
Total to Form 990-PF, Part II, line 22	1,950.	6,907.	

Form 990-PF	Explanation Concerning Part VII-A, Line 8b	Statement	11
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Explanation

Foreign exempt organization not registered with any state.

Form 990-PF

Grants and Contributions
Paid During the Year

Statement 12

Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
Rotary Club of Santa Fe Foundation PO Box 2465 Santa Fe, NM 87504	None Support for Charitable Issues	Public Charity	7,810.
Santa Fe Opera PO Box 2408 Santa Fe, NM 87504	None Support of the Arts	Public Charity	33,900.
Santa Fe Preparatory School 1101 Camino De Cruz Blanca Santa Fe, NM 87505	None Support of Education	Public Charity	3,000.
Santa Fe Pro Musica PO Box 2091 (1405 Luisa St #2) Santa Fe, NM 87504	None Support of the Arts	Public Charity	8,000.
Barbados Diabetes Foundation 3rd Avenue Bellville George Street St. Michael, BARBADOS	None Support for Charitable Issues	Public Charity	5,000.
Earth Alert 2738 Hyder Ave., SE Albuquerque, NM 87106	None Support for Charitable Issues	Public Charity	1,600.
Za Mongyal 31-58 4TH St Ste Unit 2A Astoria, NY 11103	None Support for Charitable Issues	Religious Organizati	100.
Prosperity Place, Inc. 6136 Frisco Square Blvd., Suite 400 Frisco, TX 75034	None Support for Charitable Issues	Public Charity	1,480.

Temple Beth Shalom Foundation 205 E. Barcelona Road Santa Fe, NM 87505	None Support for Charitable Issues	Religious Organizati	500.
Museum Of New Mexico Foundation PO Box 2065 Santa Fe, NM 87504	None Support for Charitable Issues	Public Charity	500.
Shelter Box Unit 1A Water-Ma-Trout, Helston, Cornwall TR13 0LW UNITED KINGDOM	None Support for Disaster Relief	Public Charity	573.
Life Link 2325 Cerrillos Road Santa Fe, NM 87505	None Support for Charitable Issues	Public Charity	1,000.
Food Depot 1222 Siler Road Santa Fe, NM 87507	None Support for Charitable Issues	Public Charity	1,000.
El Rancho de Las Golondrinas 334 Los Pinos Road Santa Fe, NM 87507	None Support for Charitable Issues	Public Charity	500.
SFPABC Santa Fe, NM	None Support for Charitable Issues	Public Charity	250.
Santa Fe Professional Business Women Santa Fe, NM	None Support for Charitable Issues	Public Charity	600.
Coming Home Connection 418 Cerrillos Road, Suite 27 Santa Fe, NM 87501	None Support for Charitable Issues	Public Charity	100.
Texas Children's Hospital 6621 Fannin Street Houston, TX 77030	None Support for Charitable Issues	Hospital	1,000.

Total to Form 990-PF, Part XV, line 3a

66,913.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II		Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).	
Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization Vaterstetten Foundation c/o Gill, Kohr and Johnson, LLC		Employer identification number 98-0215093
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 967		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Santa Fe, NM 87504-0967		

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

Gill, Kohr & Johnson, LLC

- The books are in the care of **PO Box 967 - Santa Fe, NM 87504-0967**

Telephone No. **(505) 988-2527**

FAX No.

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **November 15, 2011.**

5 For calendar year **2010**, or other tax year beginning , and ending .

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

Additional time is needed to file a complete and accurate return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature

Title

Date

Form **8868** (Rev. 1-2011)