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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 **JUL 1, 2010**, and ending **JUN 30, 2011**

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

Name of foundation THE WILLIAM F. O'CONNOR FOUNDATION C/O RYAN AND JURASKA		A Employer identification number 36-3593445
Number and street (or P O box number if mail is not delivered to street address) 141 W. JACKSON	Room/suite 2250	B Telephone number 312-922-0062
City or town, state, and ZIP code CHICAGO, IL 60604		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 30,010,329.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>		(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	120,000.		N/A	
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	48,768.	48,768.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	-33,844.	-33,844.		STATEMENT 2	
12 Total. Add lines 1 through 11	134,924.	14,924.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	100,000.	50,000.		50,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	3,985.	1,992.		1,993.
	b Accounting fees STMT 4	38,510.	19,255.		19,255.
	c Other professional fees				
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,438.	719.		719.
	22 Printing and publications				
	23 Other expenses STMT 5	9,251.	4,625.		4,626.
	24 Total operating and administrative expenses. Add lines 13 through 23	153,184.	76,591.		76,593.
	25 Contributions, gifts, grants paid	5,400,500.			5,400,500.
26 Total expenses and disbursements. Add lines 24 and 25	5,553,684.	76,591.		5,477,093.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-5,418,760.				
b Net investment income (if negative, enter -0-)		0.			
c Adjusted net income (if negative, enter -0-)			N/A		

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THE WILLIAM F. O'CONNOR FOUNDATION

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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		60,193.	64,649.	64,649.	
	2 Savings and temporary cash investments		28,866,492.	23,289,826.	23,289,826.	
	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		87,524.	87,524.	87,524.	
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock STMT 7		15,071.	19,236.	19,236.	
	c Investments - corporate bonds					
Liabilities	11 Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other					
	14 Land, buildings, and equipment: basis ▶ 120,000.		0.	120,000.	120,000.	
	Less accumulated depreciation ▶					
	15 Other assets (describe ▶ STATEMENT 8)		6,396,136.	6,429,094.	6,429,094.	
	16 Total assets (to be completed by all filers)		35,425,416.	30,010,329.	30,010,329.	
	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 9)		8,000,000.	5,050,000.			
23 Total liabilities (add lines 17 through 22)		8,000,000.	5,050,000.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted		27,425,416.	24,960,329.		
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 27 through 31.					
27 Capital stock, trust principal, or current funds						
28 Paid-in or capital surplus, or land, bldg., and equipment fund						
29 Retained earnings, accumulated income, endowment, or other funds						
30 Total net assets or fund balances		27,425,416.	24,960,329.			
31 Total liabilities and net assets/fund balances		35,425,416.	30,010,329.			

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	27,425,416.
2 Enter amount from Part I, line 27a	2	-5,418,760.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 6	3	2,953,673.
4 Add lines 1, 2, and 3	4	24,960,329.
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	24,960,329.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	NONE			
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
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		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see 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	3,447,430.	36,386,569.	.094745
2008	3,468,649.	39,166,915.	.088561
2007	2,410,343.	40,175,937.	.059995
2006	1,563,214.	45,318,789.	.034494
2005	1,188,939.	36,716,871.	.032381
2	Total of line 1, column (d)		2 .310176
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 .062035
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5		4 32,227,105.
5	Multiply line 4 by line 3		5 1,999,208.
6	Enter 1% of net investment income (1% of Part I, line 27b)		6 0.
7	Add lines 5 and 6		7 1,999,208.
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.		8 5,477,093.

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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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	0.
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	87,224.	
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	87,224.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	87,224.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 87,224. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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) <input checked="" type="checkbox"/> IL		
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

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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 ▶ <u>N/A</u>	13	X	
14	The books are in care of ▶ <u>CAROL HENNESSY</u> Telephone no. ▶ <u>312-604-8000</u> Located at ▶ <u>175 W JACKSON SUITE 400, CHICAGO, IL</u> ZIP+4 ▶ <u>60604</u>			
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 <u>N/A</u>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> <u>N/A</u>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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 ▶ _____, _____, _____		
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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	3b	X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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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 propoganda, 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** Yes No **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
SEE STATEMENT 10		100,000.	0.	0.

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**

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 N/A	
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.

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	6,577,293.
b	Average of monthly cash balances	1b	26,140,580.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	32,717,873.
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	32,717,873.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	490,768.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	32,227,105.
6	Minimum investment return. Enter 5% of line 5	6	1,611,355.

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	1,611,355.
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	1,611,355.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,611,355.
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	1,611,355.

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	5,477,093.
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	5,477,093.
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	5,477,093.

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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C/O RYAN AND JURASKA

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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				1,611,355.
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				
b From 2006				
c From 2007				
d From 2008				
e From 2009	1,588,524.			
f Total of lines 3a through e	1,588,524.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 5,477,093.				
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				1,611,355.
e Remaining amount distributed out of corpus	3,865,738.			
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	5,454,262.			
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	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	5,454,262.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009	1,588,524.			
e Excess from 2010	3,865,738.			

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

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

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

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:

C HENNESSY C/O RYAN & JURASKA, 312-922-0062
141 W. JACKSON SUITE 2250, CHICAGO, IL 60604

b The form in which applications should be submitted and information and materials they should include:

BUSINESS LETTER REQUEST WITH COPY OF TAX RETURN AND FINANCIAL STATEMENTS.

c Any submission deadlines:

NONE

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

BOARD DISCRETION

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
a Paid during the year MAYO CLINIC	NONE	PUBLIC CHARITY	GENERAL	3,000,000.
SPRING LAKE SCHOOL DIST 70300	NONE	PUBLIC CHARITY	GENERAL	25,000.
OTHER CHARITABLE INSTITUTIONS (EACH LESS THAN \$16,000)	NONE	PUBLIC CHARITY	GENERAL	225,500.
WTTW	NONE	PUBLIC CHARITY	GENERAL	100,000.
UNIVERSITY OF CHICAGO	NONE	PUBLIC CHARITY	GENERAL	1,050,000.
RUSH MEDICAL	NONE	PUBLIC CHARITY	GENERAL	1,000,000.
Total			▶ 3a	5,400,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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

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

OMB No 1545-0047

2010

Name of the organization

THE WILLIAM F. O'CONNOR FOUNDATION
C/O RYAN AND JURASKA

Employer identification number

36-3593445

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

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

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions**General Rule**

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

Special Rules

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization THE WILLIAM F. O'CONNOR FOUNDATION C/O RYAN AND JURASKA	Employer identification number 36-3593445
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Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	WILLIAM F. O'CONNOR TRUST 141 W JACKSON SUITE 2250 CHICAGO, IL 60604	\$ 120,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization THE WILLIAM F. O'CONNOR FOUNDATION C/O RYAN AND JURASKA	Employer identification number 36-3593445
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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
<u>1</u>	<u>UNDEVELOPED LAND IN CALIFORNIA</u> <hr/> <hr/> <hr/>	\$ <u>120,000.</u>	<u>02/16/11</u>
	<hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/>	\$ _____	_____

Name of organization THE WILLIAM F. O'CONNOR FOUNDATION C/O RYAN AND JURASKA	Employer identification number 36-3593445
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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 columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once See instructions) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ABN A/C 5241CFK1	243.	0.	243.
GOLDMAN SACHS	22,025.	0.	22,025.
SHAMROCK INVESTMENT PARTNERSHIP K-1	191.	0.	191.
VANGUARD	26,309.	0.	26,309.
TOTAL TO FM 990-PF, PART I, LN 4	48,768.	0.	48,768.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
SHAMROCK INVESTMENT PARTNERSHIP K-1	24,795.	24,795.	
PALM HILLS LAND CORPORATION	-58,639.	-58,639.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-33,844.	-33,844.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	3,985.	1,992.		1,993.
TO FM 990-PF, PG 1, LN 16A	3,985.	1,992.		1,993.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	38,510.	19,255.		19,255.
TO FORM 990-PF, PG 1, LN 16B	38,510.	19,255.		19,255.

FORM 990-PF	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE	2,250.	1,125.		1,125.
DUES AND SUBSCRIPTIONS OFFICE	695.	347.		348.
SUPPLIES, DELIVERY, POSTAGE	2,822.	1,411.		1,411.
CALIFORNIA PROPERTY TAX	1,990.	995.		995.
MISCELLANEOUS	1,494.	747.		747.
TO FORM 990-PF, PG 1, LN 23	9,251.	4,625.		4,626.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 6
DESCRIPTION		AMOUNT
BOOK TO TAX DIFFERENCES-NET DEFERRED EXPENSES		2,953,673.
TOTAL TO FORM 990-PF, PART III, LINE 3		2,953,673.

FORM 990-PF	CORPORATE STOCK		STATEMENT 7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
SECURITIES AT MARKET VALUE	19,236.	19,236.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	19,236.	19,236.	

FORM 990-PF	OTHER ASSETS		STATEMENT 8
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INVESTMENT IN PALM HILLS CORP	6,067,199.	6,091,560.	6,091,560.
RECEIVABLE FROM BROKER	19,705.	19,924.	19,924.
INVESTMENT IN SHAMROCK INVESTMENT PARTNERSHIP	309,232.	317,610.	317,610.
TOTAL TO FORM 990-PF, PART II, LINE 15	6,396,136.	6,429,094.	6,429,094.

FORM 990-PF	OTHER LIABILITIES		STATEMENT 9
DESCRIPTION	BOY AMOUNT	EOY AMOUNT	
CONTRIBUTIONS PAYABLE	8,000,000.	5,050,000.	
TOTAL TO FORM 990-PF, PART II, LINE 22	8,000,000.	5,050,000.	

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 10
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARK CERMAK 9000 SOUTH HOYNE CHICAGO, IL 60620	PRESIDENT/DIRECTOR 5.00	20,000.	0.	0.
CAROL HENNESSY 175 WEST JACKSON SUITE 400 CHICAGO, IL 60604	TREASURER/DIRECTOR 7.00	20,000.	0.	0.
JOANNE UNKOVSKY 1335 TELEGRAPH ROAD LAKE FOREST, IL 60045	DIRECTOR 5.00	20,000.	0.	0.
MARY JO MCGUIRE 1 EAST SCHILLER CHICAGO, IL 60610	DIRECTOR 5.00	20,000.	0.	0.
MARY JANE O'CONNOR 175 WEST JACKSON SUITE 400 CHICAGO, IL 60604	DIRECTOR 5.00	20,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		100,000.	0.	0.

THE WILLIAM F. O'CONNOR FOUNDATION

FINANCIAL STATEMENTS

June 30, 2011

(TOGETHER WITH REPORT OF INDEPENDENT AUDITORS)



RYAN & JURASKA
Certified Public Accountants

141 West Jackson Boulevard
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The William F. O'Connor Foundation

We have audited the accompanying statement of financial condition of The William F. O'Connor Foundation (the "Foundation") as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The William F. O'Connor Foundation as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Ryan & Juraska".

Chicago, Illinois
October 31, 2011

THE WILLIAM F. O'CONNOR FOUNDATION

Statement of Financial Condition

June 30, 2011

Assets

Cash and cash equivalents	\$	23,354,475
Receivable from broker-dealer		19,924
Securities owned, at fair value		19,236
Investment in Shamrock Investment Partnership		317,610
Investment in Palm Hills Land Corp.		6,091,560
Investment in land		120,000
Other assets		87,524
	\$	<u>30,010,329</u>

Liabilities and Net Assets

Liabilities:

Contributions payable	\$	5,050,000
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Net assets:

Unrestricted and undesignated		<u>24,960,329</u>
Total liabilities and net assets	\$	<u>30,010,329</u>

See accompanying notes.

THE WILLIAM F. O'CONNOR FOUNDATION

Statement of Activities

Year Ended June 30, 2011

Unrestricted net assets

Unrestricted revenues and gains

Contributions	\$	120,000
Dividends		48,577
Loss on investments		<u>(29,979)</u>

138,598

Expenses

Contributions		2,450,500
Directors fees		100,000
Professional fees		42,495
Other operating expenses		<u>10,690</u>

2,603,685

Decrease in unrestricted net assets

(2,465,087)

Net assets, beginning of year

27,425,416

Net assets, end of year

\$ 24,960,329

See accompanying notes.

THE WILLIAM F. O'CONNOR FOUNDATION

Statement of Cash Flows

Year Ended June 30, 2011

Cash flows from operating activities	
Decrease in net assets	\$ (2,465,087)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Contribution of interest in land	(120,000)
(Increase) in operating assets:	
Receivable from broker-dealer	(219)
Securities owned, at fair value	(4,165)
Investment in Shamrock Investment Partnership	(8,378)
Investment in Palm Hills Land Corp.	(24,361)
(Decrease) in operating liabilities:	
Contributions Payable	<u>(2,950,000)</u>
Net cash used in operating activities	<u>(5,572,210)</u>
Net decrease in cash and cash equivalents	(5,572,210)
Cash and cash equivalents, at beginning of year	<u>28,926,685</u>
Cash and cash equivalents, at end of year	<u><u>\$ 23,354,475</u></u>
Noncash transactions:	
Contribution of interest in land	\$ 120,000

See accompanying notes.

THE WILLIAM F. O'CONNOR FOUNDATION

Notes to Financial Statements

June 30, 2011

1. Organization and Nature of Activities

The William F. O'Connor Foundation (the "Foundation") was incorporated in the State of Illinois on July 19, 1988. The Foundation was organized exclusively for religious, charitable, scientific, literary and educational purposes, to foster national and international sports competition, and the prevention of cruelty to children and animals; including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1986.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The Foundation has prepared its financial statements in accordance with Accounting Codification Standards (ASC) Topic 958, Not-For-Profit Entities. Under ASC Topic 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

Securities Owned

Securities owned consist of corporate equity securities and are recorded in the statement of financial condition at fair value, with the related unrealized profit or loss included in gain on investments in the statement of activities.

All financial instruments are recorded in the statement of financial condition at fair value in accordance with ASC Topic 820, Fair Value Measurement and Disclosures (see Note 6).

Contributions

The Foundation accounts for contributions in accordance with ASC Topic 958, Not-For-Profit Entities. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private foundation. However, the Foundation is subject to federal taxes on net investment income.

Cash Equivalents

Cash equivalents consist of money market mutual funds.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

THE WILLIAM F. O'CONNOR FOUNDATION

Notes to Financial Statements, Continued

June 30, 2011

3. Concentration of Credit Risk

At June 30, 2011, significant credit concentrations existed of approximately \$13,300,000 and \$10,000,000 cash deposited in money market mutual funds. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

4. Off-Balance-Sheet Risk

In the normal course of business the Foundation enters into transactions in financial instruments which are cleared through the Foundation's broker. Risk arises from the potential inability of counterparties to perform under the terms of the contracts (credit risk) and from changes in the values of the underlying financial instruments (market risk). The Foundation is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The Foundation attempts to minimize its exposure to credit risk by monitoring brokers with which it conducts investment activities. In management's opinion, market risk is substantially diminished when all financial instruments are aggregated.

5. Investments

The Foundation's investment in Palm Hills Land Corp. is carried at its appraised value as of June 30, 1999, (which was also the contributed value) adjusted by the cumulative income or loss attributable to the investment, and cumulative additional capital contributions and distributions. The Foundation's investment in Shamrock Investment Partnership is carried at its estimated fair value as of June 30, 2007, (which was also the contributed value) adjusted by accumulative income or loss attributable to the investment, and cumulative capital contributions and distributions. The Foundation's investment in land is carried at its appraised value as of December 15, 1999 (which was also the contributed value) and is reported at the lower of cost or fair value.

6. Fair Value Disclosure

ASC Topic 820, Fair Value Measurement and Disclosures, defines fair value as the price that the Foundation would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC Topic 820 established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are as follows:

<u>Level 1 Inputs</u>	Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.
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THE WILLIAM F. O'CONNOR FOUNDATION

Notes to Financial Statements, Continued

June 30, 2011

6. Fair Value Disclosure, continued

Level 2 Inputs Valuation is based on other than quoted prices included with Level 1 that are observable for substantially the full term of the asset or liability, either directly or indirectly. Level 2 assets include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

Level 3 Inputs Valuation is based on unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2011:

Assets	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Securities owned			
Corporate stock	\$ 19,236	\$ -	\$ 19,236
Total securities owned	<u>\$ 19,236</u>	<u>\$ -</u>	<u>\$ 19,236</u>
Investment in Shamrock Investment Partnership	\$ -	\$ 317,610	\$ 317,610
Investment in Palm Hills Land Corp.	\$ -	\$ 6,091,560	\$ 6,091,560
Investment in land	\$ -	\$ 120,000	\$ 120,000

As of June 30, 2011, the Foundation's Level 3 assets (Investment in Shamrock Investment Partnership, Investment in Palm Hills Land Corp. and Investment in land) totaled \$6,529,170. The following table presents changes in Level 3 assets for the year ended June 30, 2011:

	<u>Level 3 Assets</u>
Beginning balance, July 1, 2010	\$ 6,376,431
Purchase of investments	83,000
Contribution of interest in investments	120,000
Liquidation of interest in investments	(16,117)
Realized gain on liquidated interest in investments	16,117
Change in unrealized loss on investments	<u>(50,261)</u>
Ending balance, June 30, 2011	<u>\$ 6,529,170</u>

At June 30, 2011, the Foundation held no Level 2 assets.

THE WILLIAM F. O'CONNOR FOUNDATION

Notes to Financial Statements, Continued

June 30, 2011

7. Subsequent Events

The Foundation's management has evaluated events and transactions through October 31, 2011, the date the financial statements were issued, noting no material events requiring disclosure in the Foundation's financial statements.