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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.

**2010**

For calendar year 2010, or tax year beginning 07/01, 2010, and ending 06/30, 2011

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: **THE MARKOS FOUNDATION, INC 23-16209** A Employer identification number: **39-1836400**

Number and street (or P.O. box number if mail is not delivered to street address): **P.O. BOX 5507** Room/suite: Room/suite B Telephone number (see page 10 of the instructions): **(312) 630-6000**

City or town, state, and ZIP code: **MADISON, WI 53705**

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

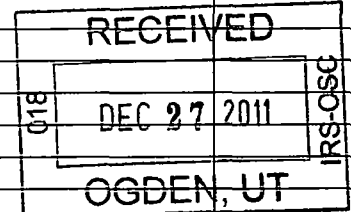
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ **2,373,016.** J Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_ (Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here   
D 1 Foreign organizations, check here   
2 Foreign organizations meeting the 85% test, check here and attach computation   
E If private foundation status was terminated under section 507(b)(1)(A), check here   
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)	13,300.			
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	51,330.	51,330.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	40,945.			
b Gross sales price for all assets on line 6a	271,876.			
7 Capital gain net income (from Part IV, line 2)		40,945.		
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	105,575.	92,275.		

13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages		NONE	NONE	
15 Pension plans, employee benefits		NONE	NONE	
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) STMT 2	1,000.	500.	NONE	500.
c Other professional fees (attach schedule) STMT 3	22,037.	5,117.		16,920.
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) STMT 4	1,648.	1,186.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings		NONE	NONE	
22 Printing and publications	435.	NONE	NONE	435.
23 Other expenses (attach schedule) STMT 5	75.			75.
24 Total operating and administrative expenses. Add lines 13 through 23	25,195.	6,803.	NONE	17,930.
25 Contributions, gifts, grants paid	100,600.			100,600.
26 Total expenses and disbursements Add lines 24 and 25	125,795.	6,803.	NONE	118,530.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-20,220.			
b Net investment income (if negative, enter -0-)		85,472.		
c Adjusted net income (if negative, enter -0-)				



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	152,847.	80,847.	80,847.
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule)			
		Less: allowance for doubtful accounts	NONE		
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) STMT 6	1,632,810.	1,612,333.	1,806,704.
	c	Investments - corporate bonds (attach schedule) STMT 7	190,936.	270,142.	280,191.
	11	Investments - land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule) STMT 8	173,639.	168,190.	205,274.	
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe )				
16	<b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I)	2,150,232.	2,131,512.	2,373,016.	
Liabilities	17	Accounts payable and accrued expenses		1,500.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe )			
23	<b>Total liabilities</b> (add lines 17 through 22)		1,500.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	2,150,232.	2,130,012.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds				
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	2,150,232.	2,130,012.		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	2,150,232.	2,131,512.		

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 2,150,232.
2	Enter amount from Part I, line 27a	2 -20,220.
3	Other increases not included in line 2 (itemize)	3
4	Add lines 1, 2, and 3	4 2,130,012.
5	Decreases not included in line 2 (itemize)	5
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6 2,130,012.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV DETAIL				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	40,945.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8.			}	3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	140,340.	2,066,176.	0.06792257775
2008	135,056.	1,921,124.	0.07030051158
2007	112,818.	2,696,682.	0.04183585606
2006	184,847.	2,672,226.	0.06917341572
2005	136,692.	2,534,609.	0.05393021172
2 Total of line 1, column (d)			2 0.30316257283
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.06063251457
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 2,244,234.
5 Multiply line 4 by line 3			5 136,074.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 855.
7 Add lines 5 and 6			7 136,929.
8 Enter qualifying distributions from Part XII, line 4			8 118,530.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

Table with 11 rows for excise tax calculations. Includes items like 'Exempt operating foundations', 'Domestic foundations', 'Tax under section 511', 'Credits/Payments', and 'Tax due'. Total tax due is 1,238.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about influencing legislation, political purposes, unrelated business income, and substantial contributors. Includes 'Yes' and 'No' columns.

Part VII-A Statements Regarding Activities (continued)

11. At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . .	11		X
12. Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .	12		X
13. Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . Website address ▶ N/A	13	X	
14. The books are in care of ▶ NORTHERN TRUST COMPANY Telephone no. ▶ (312) 630-6000 Located at ▶ P.O. BOX 803878, CHICAGO, IL ZIP + 4 ▶ 60680			
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			
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)? . . . . . <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? . . . . .	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 page 22 of the instructions.) . . . . .	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) . . . . .	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? . . . . .	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  Yes  No  
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?  Yes  No  
 If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No  
 If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  Yes  No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		-0-	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

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

Total number of other employees paid over \$50,000  NONE

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

**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		NONE

Total number of others receiving over \$50,000 for professional services . . . . . **NONE**

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 NONE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 NONE	
2	
All other program-related investments. See page 24 of the instructions	
3 NONE	

Total. Add lines 1 through 3 . . . . .

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,278,410.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	2,278,410.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	2,278,410.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	34,176.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,244,234.
6	Minimum investment return. Enter 5% of line 5	6	112,212.

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	112,212.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,709.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,709.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	110,503.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	110,503.
6	Deduction from distributable amount (see page 25 of the instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	110,503.

**Part XII Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	118,530.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	118,530.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	118,530.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7 . . . . .				110,503.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only . . . . .			NONE	
b Total for prior years: 20 08, 20 , 20		NONE		
3 Excess distributions carryover, if any, to 2010:				
a From 2005 . . . . .	10,529.			
b From 2006 . . . . .	65,022.			
c From 2007 . . . . .	NONE			
d From 2008 . . . . .	24,954.			
e From 2009 . . . . .	37,973.			
f Total of lines 3a through e . . . . .	138,478.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 118,530.				
a Applied to 2009, but not more than line 2a . . . .			NONE	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions) . . . . .		NONE		
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . .	NONE			
d Applied to 2010 distributable amount . . . . .				110,503.
e Remaining amount distributed out of corpus . . . .	8,027.			
5 Excess distributions carryover applied to 2010 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	146,505.			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		NONE		
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 . . . . .		NONE		
d Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions . . . . .		NONE		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions . . . . .			NONE	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011. . . . .				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .	NONE			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	10,529.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	135,976.			
10 Analysis of line 9:				
a Excess from 2006 . . . . .	65,022.			
b Excess from 2007 . . . . .	NONE			
c Excess from 2008 . . . . .	24,954.			
d Excess from 2009 . . . . .	37,973.			
e Excess from 2010 . . . . .	8,027.			

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

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

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

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

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)

**1 Information Regarding Foundation Managers:**

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

DENNIS A. MARKOS

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

N/A

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

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines:

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

**Part XV** Supplementary Information (continued)

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

Recipient	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)				
<p>a <i>Paid during the year</i></p> <p>SEE STATEMENT 12</p>				
<b>Total</b> .....				▶ <b>3a</b> 100,600.
<p>b <i>Approved for future payment</i></p>				
<b>Total</b> .....				▶ <b>3b</b>





**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

Employer identification number

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( ) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

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

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

**General Rule**

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

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. . . . . ▶ \$ \_\_\_\_\_

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

Name of organization <b>THE MARKOS FOUNDATION, INC 23-16209</b>	Employer identification number <b>39-1836400</b>
--	---

**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SOUTH CENTRAL GOLF CLASSIC P.O. BOX 5507 MADISON, WI 53705	\$ 6,500.	Person <input checked="" 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.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
DIVIDENDS & INTEREST	51,330.	51,330.
TOTAL	51,330.	51,330.
	=====	=====

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION	1,000.	500.		500.
TOTALS	1,000.	500.	NONE	500.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES  
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT ADVISORY MANAGERIAL	5,117. 16,920.	5,117.	16,920.
TOTALS	22,037.	5,117.	16,920.

FORM 990PF, PART I - TAXES  
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
ESTIMATED EXCISE TAX	462.	
FOREIGN TAXES	1,186.	1,186.
	-----	-----
TOTALS	1,648.	1,186.
	=====	=====

FORM 990PF, PART I - OTHER EXPENSES  
=====

REVENUE  
AND  
EXPENSES  
PER BOOKS  
-----

CHARITABLE  
PURPOSES  
-----

DESCRIPTION  
-----

POSTAGE & DELIVERY  
OFFICE SUPPLIES  
FILING FEE

25.  
40.  
10.

25.  
40.  
10.

TOTALS

-----  
75.  
=====

-----  
75.  
=====

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	1,612,333.	1,806,704.
TOTALS	1,612,333.	1,806,704.

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - CORPORATE BONDS

=====

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	270,142.	280,191.
TOTALS	270,142.	280,191.

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - OTHER INVESTMENTS

=====

DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	C	168,190.	205,274.
TOTALS		168,190.	205,274.

-----

TOTALS

=====

-----  
STATE(S) WHERE THE FOUNDATION IS REGISTERED  
=====

WI

CONTRIBUTIONS, GIFTS, GRANTS PAID

EIN: 39-1836400

THE MARKOS FOUNDATION, INC.

07/01/10-06/30/11

CK #	DATE	PAYEE	CITY, STATE	AMOUNT
2336	07/23/10	National MS Society	New York, NY	\$ 1,000.00
2338	08/03/10	University of Notre Dame	Notre Dame, IN	\$ 25,000.00
2339	08/03/10	Marquette University	Milwaukee, WI	\$ 25,000.00
2340	08/03/10	UW-Madison-Nicholas Niehausen	Madison, WI	\$ 2,500.00
2341	08/03/10	UW-LaCrosse-Loralee Bilke	LaCrosse, WI	\$ 2,000.00
2342	08/03/10	UW-Madison-Chelsea Brander	Madison, WI	\$ 2,000.00
2343	08/03/10	Concordia University-Johanna Kay Hanchek	Mequon, WI	\$ 2,000.00
2344	08/03/10	University of Minnesota-Angela Infusino-Braun	Twin Cities, MN	\$ 2,000.00
2345	08/03/10	Madison Area Technical College-Palee Yang	Madison, WI	\$ 2,000.00
2347	09/21/10	UW-Madison-Julio Jacobo Jr	Madison, WI	\$ 5,000.00
2348	09/21/10	Marquette University-Victor Jacobo	Milwaukee, WI	\$ 5,000.00
2354	01/18/11	Yale Football Association-in memory of Jim Doughan	New Haven, CT	\$ 200.00
2355	01/18/11	Hospicecare Inc-in memory of Tom Dohm	Madison, WI	\$ 200.00
2357	02/01/11	UW-Madison-Palee Yang	Madison, WI	\$ 1,000.00
2359	02/25/11	Osteogenesis Imperfecta Foundation-in memory of Congie DeVito	Gaithersburg, MD	\$ 200.00
2364	05/20/11	St James Eager Reader Program	Madison, WI	\$ 22,000.00
2365	05/31/11	Boy Scout Troop 508	Aurora, IL	\$ 500.00
2367	06/21/11	WI Law Alumni Assn-XU Yue (Luna)	Madison, WI	\$ 2,000.00
2368	06/30/11	National MS Society	New York, NY	\$ 1,000.00

TOTAL GRANTS PAID 7/1/10-6/30/11

\$ 100,600.00

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS					7,639.	
2.00		.21 FRONTIER COMMUNICATIONS CORP COM PROPERTY TYPE: SECURITIES 2.00					12/14/2006	07/02/2010
4,975.00		20. APPLE COMPUTER INC PROPERTY TYPE: SECURITIES 4,643.00					03/29/2010	07/15/2010
577.00		79. FRONTIER COMMUNICATIONS CORP COM PROPERTY TYPE: SECURITIES 746.00					12/14/2006	07/15/2010
8,816.00		330. VERIZON COMMUNICATIONS PROPERTY TYPE: SECURITIES 11,100.00					12/14/2006	07/15/2010
20,614.00		360. JOHNSON & JOHNSON PROPERTY TYPE: SECURITIES 10,374.00					12/14/2006	07/22/2010
4,989.00		98. KELLOGG CO PROPERTY TYPE: SECURITIES 4,974.00					12/14/2006	08/18/2010
2,992.00		60. KELLOGG CO PROPERTY TYPE: SECURITIES 3,046.00					12/14/2006	08/19/2010
3,078.00		62. KELLOGG CO PROPERTY TYPE: SECURITIES 3,147.00					12/14/2006	08/20/2010
2,299.00		28. CUMMINS ENGINE INC PROPERTY TYPE: SECURITIES 1,766.00					03/29/2010	09/10/2010
4,380.00		52. CUMMINS ENGINE INC PROPERTY TYPE: SECURITIES 3,280.00					03/29/2010	09/13/2010

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
6,561.00		150. PG&E CORP PROPERTY TYPE: SECURITIES 6,781.00					07/25/2007 -220.00	09/13/2010
6,899.00		270. ADOBE SYS INC PROPERTY TYPE: SECURITIES 10,970.00					12/14/2006 -4,071.00	10/06/2010
15,014.00		370. HEWLETT PACKARD CO COM PROPERTY TYPE: SECURITIES 14,678.00					12/14/2006 336.00	10/06/2010
9,431.00		613. SCHWAB CHARLES CORP COMMON STOCK NE PROPERTY TYPE: SECURITIES 11,093.00					05/11/2009 -1,662.00	11/02/2010
2,858.00		187. SCHWAB CHARLES CORP COMMON STOCK NE PROPERTY TYPE: SECURITIES 3,384.00					05/11/2009 -526.00	11/03/2010
9,077.00		316. SYSCO CORP PROPERTY TYPE: SECURITIES 9,723.00					06/11/2010 -646.00	11/19/2010
115.00		4. SYSCO CORP PROPERTY TYPE: SECURITIES 123.00					06/11/2010 -8.00	11/19/2010
4,747.00		410. BK AMER CORP COM PROPERTY TYPE: SECURITIES 7,401.00					03/29/2010 -2,654.00	12/03/2010
6,027.00		80. COLGATE PALMOLIVE CO PROPERTY TYPE: SECURITIES 6,645.00					05/10/2010 -618.00	02/02/2011
76,494.00		1670. ISHARES MSCI EMERGING MKTS INDEX F PROPERTY TYPE: SECURITIES 70,157.00					01/20/2010 6,337.00	02/28/2011
9,498.00		190. TEVA PHARMACEUTICALS INDS LTD ADR PROPERTY TYPE: SECURITIES 8,009.00					02/11/2009 1,489.00	02/28/2011

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
16,775.00		960. CISCO SYS INC PROPERTY TYPE: SECURITIES 8,620.00					10/08/1997 8,155.00	04/11/2011
7,037.00		88. NIKE INC CLASS B PROPERTY TYPE: SECURITIES 6,512.00					03/29/2010 525.00	04/26/2011
5,776.00		72. NIKE INC CLASS B PROPERTY TYPE: SECURITIES 5,328.00					03/29/2010 448.00	04/27/2011
11,576.00		480. MICROSOFT CORP COM PROPERTY TYPE: SECURITIES 7,088.00					05/07/1997 4,488.00	05/23/2011
23,620.00		440. MEDCO HEALTH SOLUTIONS INC PROPERTY TYPE: SECURITIES 11,341.00					12/14/2006 12,279.00	06/24/2011
TOTAL GAIN (LOSS) .....							40,945. =====	

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

OFFICER NAME:

DENNIS A. MARKOS

ADDRESS:

25 LARCH CIRCLE  
MADISON, WI 53705

TITLE:

PRESIDENT/DIRECTOR

OFFICER NAME:

CAROL J. MARKOS

ADDRESS:

25 LARCH CIRCLE  
MADISON, WI 53705

TITLE:

VP/SEC/TREAS/DIR

OFFICER NAME:

WILLIAM F. CONLON

ADDRESS:

1418 N. LAKE SHORE DRIVE  
CHICAGO, IL 60610

TITLE:

DIRECTOR

OFFICER NAME:

KENNETH SLATTERY

ADDRESS:

1002 ELLEN AVENUE  
MADISON, WI 53716

TITLE:

DIRECTOR

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

OFFICER NAME:

JAMES LORIMER

ADDRESS:

P.O. BOX 3550  
PLACIDA, FL 33946

TITLE:

DIRECTOR

OFFICER NAME:

MATTHEW BLUHM

ADDRESS:

700 LLOYD PLACE  
WINNETKA, IL 60093

TITLE:

DIRECTOR

OFFICER NAME:

MARY L. KLEIN

ADDRESS:

6029 S. HIGHLANDS AVENUE  
MADISON, WI 53705

TITLE:

MANAGER

=====

RECIPIENT NAME:

SEE ATTACHED SCHEDULE

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID ..... 100,600.

TOTAL GRANTS PAID:

100,600.

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