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

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.

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation MODESTUS BAUER FOUNDATION		A Employer identification number 36-4473692
Number and street (or P O box number if mail is not delivered to street address) c/o Robert J. Lawrence, 300 S. Wacker Drive	Room/suite 500	B Telephone number (see instructions) 312-372-1947
City or town, state, and ZIP code Chicago, Illinois 60606		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 14,380,367	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	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 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	23	23		
	4 Dividends and interest from securities	425,030	425,030		
	5a Gross rents				
	b Net rental income or loss				
	6a Net gain or (loss) from sale of assets not on line 10	235,642			
	b Gross sales price for all assets on line 6a	2,844,838			
	7 Capital gain net income from Part IV, line 22		235,642		
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	660,695	660,695			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	36,000	0		36,000
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	57,025	57,025		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	9,448	2,343		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	66	66		66
	24 Total operating and administrative expenses. Add lines 13 through 23	102,539	59,434		36,066
	25 Contributions, gifts, grants paid	723,450			723,450
26 Total expenses and disbursements. Add lines 24 and 25	825,989	59,434		759,516	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(165,294)				
b Net investment income (if negative, enter -0-)		601,291			
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	11,963	5,071	5,071
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)	1,554,414	2,282,449	2,440,770
	b	Investments—corporate stock (attach schedule)	6,016,340	5,986,026	7,923,395
	c	Investments—corporate bonds (attach schedule)	2,794,325	1,822,650	1,852,056
	11	Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,886,294	2,057,888	2,159,075
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	12,693,336	12,154,084	14,380,367	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <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	12,263,336	12,154,084	
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see instructions)	12,263,336	12,154,084		
31	Total liabilities and net assets/fund balances (see instructions)	12,263,336	12,154,084		

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	12,263,336
2	Enter amount from Part I, line 27a	2	(165,294)
3	Other increases not included in line 2 (itemize) ▶ basis adjustments	3	56,042
4	Add lines 1, 2, and 3	4	12,154,094
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,154,084

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 attached Schedule			
b Lodestar Investment Counsel	P	various	2011
c Abrams Capital Partners, LP	P	2002	2011
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 2,695,251	1,293	2,610,479	86,065
c 149,587	0	0	149,587
d			
e			

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

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			86,065
c			149,587
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	235,652
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 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.

(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))
2010	739,736	14,189,465	.052133
2009	747,086	12,848,517	.058146
2008	767,014	14,601,796	.052529
2007	799,281	16,787,594	.047611
2006	736,876	16,026,016	.045980

2 Total of line 1, column (d)	2	.256399
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	.051280
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	14,523,136
5 Multiply line 4 by line 3	5	744,746
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,013
7 Add lines 5 and 6	7	750,759
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	759,516

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	6,013
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	
3	Add lines 1 and 2	3	6,013
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	6,013
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	6,000
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	6,000
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	13
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be. Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

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?	Yes	No
1a			✓
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		✓
1b			
c	Did the foundation file Form 1120-POL for this year?		✓
1c			
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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? <i>If "Yes," attach a conformed copy of the changes.</i>		✓
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
4b	If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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?		✓
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>		✓
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Illinois		
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? <i>If "No," attach explanation</i>		✓
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		✓
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

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		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	✓	
14	The books are in care of ▶ Robert J. Lawrence Telephone no. ▶ 312-372-1947 Located at ▶ 300 S. Wacker Drive, Suite 500, Chicago, IL ZIP+4 ▶ 60606			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2011, 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 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
				✓

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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 instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1b	✓
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c	✓
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 , 20		
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.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20		
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 2011 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 2011.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2011?	4b	✓

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 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 instructions)? ☐ Yes ☒ NoOrganizations 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 ☒ NoIf "Yes," attach the statement required by Regulations section 53.4945–5(d). ☒**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ 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 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
Robert J. Lawrence 418 Briarwood Place, Highland Park, IL 60035	Dir, Pres; 2 hrs	\$18,000	0	0
Linda N. Lawrence 418 Briarwood Place, Highland Park, IL 60035	Dir, Asst Sec, 1/4 hrs	0	0	0
Lawrence A. Reich 609 Crofton Avenue S, Highland Park, IL 60035	Dir, VP; 1.5 hrs	\$18,000	0	0
David Reich 833 Timber Hill, Highland Park, IL 60035	Dir., Sec, 1 hr	0	0	0

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

Expenses

Part IX-B Summary of Program-Related Investments (see instructions)

Amount

Form **990-PF** (2011)

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	14,744,301
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	14,744,301
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	
3	Subtract line 2 from line 1d	3	14,744,301
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	221,165
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	14,523,136
6	Minimum investment return. Enter 5% of line 5	6	726,157

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	726,167
2a	Tax on investment income for 2011 from Part VI, line 5	2a	6,013
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	6,013
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	720,154
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	720,154
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	720,154

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	759,516
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	
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	759,516
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	6,013
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	753,503

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				720,154
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			577,922	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	0			
b From 2007	0			
c From 2008	0			
d From 2009	0			
e From 2010	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 759,516				
a Applied to 2010, but not more than line 2a			577,922	
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 2011 distributable amount				181,594
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 (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	0			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				538,560
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2007	0			
b Excess from 2008	0			
c Excess from 2009	0			
d Excess from 2010	0			
e Excess from 2011	0			

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling	N/A				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year (a) 2011	Prior 3 years (b) 2010 (c) 2009 (d) 2008			(e) Total
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 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:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

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 See Schedule Attached			General Purposes	723,450
Total			3a	723,450
b Approved for future payment None				
Total			3b	0

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			01	23	
4	Dividends and interest from securities			01	425,030	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			01	235,642	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue: a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)				660,695	
13	Total. Add line 12, columns (b), (d), and (e)				13	660,695

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

FORM 990-PF for Year 2011
MODESTUS BAUER FOUNDATION
c/o ROBERT J. LAWRENCE
300 S. Wacker Drive, Suite 500
Chicago, Illinois 60606
36-4473692

SCHEDULE OF OTHER PROFESSIONAL FEES – (PART I, LN 16c)

Investment advisory fees	\$57,025
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SCHEDULE OF TAXES (PART I, LN 18)

Excise taxes	7,105
Foreign investment taxes	<u>2,343</u>
	\$9,448

SCHEDULE OF OTHER EXPENSES (PART I, LN 23)

Misc fees	66
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MODESTUS BAUER FOUNDATION

Schedule of Contributions

36-4473692

2011- Part XV-Line 3a

Recipient	Amount
Ravinia Festival Association	\$ 9,000.00
University Of Chicago, Celiac Disease Center	1,000.00
National Council Of Jewish Women/Los Angeles	10,000.00
Didi Hirsch Psychiatric Service	5,000.00
Dream Associates	2,000.00
A Wounded Warrior's Second Chance, Inc.	1,000.00
LIFT	23,000.00
American Writers Theatre Chicago Foundation	12,500.00
Art Encounter	5,000.00
Hadassah Foundation, Inc.	3,500.00
The Chicago Lighthouse	600.00
Oasis Institute	5,000.00
Autism Speaks, Inc.	26,500.00
SSDN	250.00
The Chicago Horticultural Society	4,500.00
Steppenwolf Theatre	2,000.00
Northlight Theatre, Inc.	2,000.00
Common Ground	500.00
Urban Education Exchange, Inc.	5,000.00
Build, Inc.	1,500.00
Jewish United Fund	75,000.00
Leap Learning Systems	2,000.00
Evans Scholars Foundation	10,000.00
Alzheimer's Association	2,000.00
MD Anderson Cancer Center	8,000.00
Leukemia Research Foundation	1,000.00
National Multiple Sclerosis Society	6,000.00
Horizons For Youth	8,000.00
The Art Center	4,000.00
The Cleveland Clinic	15,000.00
University Of Illinois At Chicago	20,000.00
Children's Memorial Foundation/MRIC	8,000.00
Unitarian Universalist Church Of Riverside, CA	1,000.00
The Vision Of Tomorrow Foundation	1,500.00
The Rory David Deutsch Foundation	1,000.00
The Network Youth Development Program	1,500.00
Rehabilitation Institute Of Chicago	20,000.00
Am. Comm. for the Weizmann Inst. of Science	10,000.00
Mayo Foundation	20,000.00
Planned Parenthood/Chicago Area	30,000.00
Northwestern Memorial Foundation	20,000.00
Camperships For Nebagamon, Inc.	1,500.00
North Lawndale Prep Charter High School	1,500.00
Environmental Law & Policy Center	7,500.00

Recipient	Amount
The Nature Conservancy	\$ 7,500.00
Israel Cancer Research Fund	5,000.00
North Shore Youth Health Services, Inc.	5,000.00
Am Yisrael	1,800.00
Cancer Wellness Center	10,000.00
Friends Of The BWCA	4,000.00
Highland Park Community Foundation	5,000.00
Michael Rolfe Pancreatic Cancer Fund	9,000.00
Northwoods Land Trust	4,000.00
American Technion Society	5,000.00
Elite Training Center NFP	1,000.00
Unitarian Universalist Church Of The Desert	1,000.00
NorthShore University HealthSystem Foundation	62,500.00
Evanston Community Television Corporation	1,000.00
Glenkirk Foundation	4,000.00
SEDOL	3,000.00
Forsyth School	2,500.00
Meramec School	2,500.00
Congregation Shaare Emeth	1,500.00
St. Louis Arc	3,000.00
Scottish Rite Clinic For Childhood Language Disorders Of St. Lo	1,500.00
Jupiter Medical Center	5,000.00
Las Madrinas Guild of Childrens Hospital Central California	5,000.00
Fisher House Foundation	3,000.00
Friends Of Health	3,000.00
North Lawndale Prep Charter High School	4,000.00
Carol Gollob Found. For Breast Cancer Research	4,000.00
American Friends Of Magen David Adom	4,000.00
Myelin Repair Foundation	10,000.00
Council For Jewish Elderly	10,000.00
Hubbard Street Dance Company	1,000.00
University Of Chicago Cancer Research Foundation	5,000.00
Naomi Berrie Diabetes Center, Columbia University	3,000.00
Beth Israel Medical Center	2,000.00
Highland Park Public Library	3,000.00
Memorial Sloan Kettering Cancer Center	10,000.00
Midwest Palliative And Hospice Care	5,000.00
Rush University Medical Center	5,000.00
Habitat For Humanity	5,000.00
Avenues To Independence	3,000.00
Window To The World Communications, Inc.	1,000.00
The WBEZ Alliance, Inc.	1,000.00
Children's Golf Foundation, Inc.	5,000.00
Sunshine Through Golf Foundation	3,000.00
Illinois Self Help Coalition	3,000.00
Community Health	3,000.00

Recipient	Amount
Park District Of Highland Park	\$ 3,000.00
Melanoma Research Foundation	3,000.00
Chicago Police Memorial Foundation	2,000.00
Maltz Jupiter Theatre Inc.	1,000.00
Daniel M. Murphy Scholarship Fund	2,000.00
Highland Park Park District	2,000.00
Steppenwolf Theatre Company	1,000.00
The Kidney Cancer Association	10,000.00
The Gabe W. Miller Memorial Foundation	100.00
National Multiple Sclerosis Society	6,000.00
Dysautonomia Foundation	5,000.00
Camp Nebagamon Scholarship Fund	1,000.00
Congregation Shaare Emeth	1,500.00
Coghill Foundation, Inc.	2,500.00
Greater Chicago Food Depository	7,500.00
Environmental Defense Fund	1,500.00
Preservation Foundation Of The Lake County Forest Preserves	1,000.00
American Cancer Society	6,000.00
Chicago Commons Assn.	3,000.00
University Of Chicago	3,500.00
Longevity	2,500 00
Friends Of The IDF	6,000 00
Disabled American Veterans	2,500.00
American Society For The Prevention Of Cruelty To Animals	1,000.00
College Bound Opportunities	1,200.00
Anti-Defamation League Of B'nai Brith	7,500.00
Total	\$723,450

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation Schwab #1071-2375
December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
CASH & EQUIVALENTS									
	Dividend Accrual Account								
	Schwab Treasury Fund		\$,071		\$,071	0.1	0.000	0	0.0
			\$,071		\$,071	0.8	0.010	12	0.0
						1.0		12	0.0
COMMON STOCK									
ENERGY									
5,000	Exxon Mobil Corp	28.85	144,231	84.76	423,800	2.9	1.880	9,400	2.2
12,000	Hugoton Royalty Trust	21.68	260,169	18.84	226,080	1.6	1.079	12,952	5.7
3,000	Kinder Morgan Energy Partners L.P.	48.01	144,030	84.95	254,850	1.8	4.640	13,920	5.5
2,200	Royal Dutch Shell PLC Spons ADR B	63.04	138,678	76.01	167,222	1.2	3.200	7,040	4.2
			687,108		1,071,952	7.4		43,312	4.0
UTILITIES									
4,000	Exelon Corp.	46.33	185,312	43.37	173,480	1.2	2.100	8,400	4.8
5,000	Southern Company	31.36	156,779	46.29	231,450	1.6	1.890	9,450	4.1
			342,092		404,930	2.8		17,850	4.4
TELECOMMUNICATIONS									
5,400	Vodafone Group PLC	26.07	140,792	28.03	151,362	1.0	1.443	7,792	5.1
			140,792		151,362	1.0		7,792	5.1
DRUGS AND MEDICAL									
3,000	Abbott Laboratories	44.28	132,831	56.23	168,690	1.2	1.920	5,760	3.4
4,000	Johnson & Johnson	55.88	223,540	65.58	262,320	1.8	2.280	9,120	3.5
			356,371		431,010	3.0		14,880	3.5
MANUFACTURING									
2,500	3M Company	77.88	194,705	81.73	204,325	1.4	2.200	5,500	2.7
2,400	Dover Corporation	29.12	69,888	58.05	139,320	1.0	1.260	3,024	2.2
8,000	General Electric	27.99	223,897	17.91	143,280	1.0	0.680	5,440	3.8

Schedule of investments as of 12/31/11
PART II, column (b) and (c)
Page 1 of 7

36-4473692

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation Schwab #1071-2375
December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
5,000	Illinois Tool Works Inc	33.12	165,592	46.71	233,550	1.6	1.440	7,200	3.1
			654,082		720,475	5.0		21,164	2.9
INSURANCE									
3,000	Travelers Companies	49.45	148,338	59.17	177,510	1.2	1.640	4,920	2.8
	Com		148,338		177,510	1.2		4,920	2.8
CONSUMER PRODUCTS									
3,000	Philip Morris Intl Inc.	34.15	102,450	78.48	235,440	1.6	3.080	9,240	3.9
4,000	Procter & Gamble	55.64	222,576	66.71	266,840	1.8	2.100	8,400	3.1
			325,026		502,280	3.5		17,640	3.5
BANKING AND FINANCE									
3,000	American Express	32.05	96,157	47.17	141,510	1.0	0.720	2,160	1.5
4,000	Northern Trust Co.	49.97	199,889	39.66	158,640	1.1	1.120	4,480	2.8
			296,046		300,150	2.1		6,640	2.2
DISTRIBUTION AND SERVICES									
6,000	Sysco Corp	23.03	138,198	29.33	175,980	1.2	1.080	6,480	3.7
			138,198		175,980	1.2		6,480	3.7
TRANSPORTATION									
2,100	United Parcel Service	66.32	139,281	73.19	153,699	1.1	2.080	4,368	2.8
			139,281		153,699	1.1		4,368	2.8
REAL ESTATE									
6,000	Starwood Property Trust	22.63	135,808	18.51	111,060	0.8	1.760	10,560	9.5
			135,808		111,060	0.8		10,560	9.5
SERVICES									
4,000	Accenture Ltd Cl A	26.14	104,541	53.23	212,920	1.5	1.350	5,400	2.5
			104,541		212,920	1.5		5,400	2.5

*Schedule of Investments as of 12/31/11
PART II, Column (b) and (c)
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36-4473662

Lodestar Investment Counsel, LLC
 PORTFOLIO APPRAISAL
 Modestus Bauer Foundation Schwab #1071-2375
 December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
RETAIL									
3,000	Kohl's Corp.	54.49	163,468	49.35	148,050	1.0	1.000	3,000	2.0
9,000	Lowes Companies Inc.	20.35	183,126	25.38	228,420	1.6	0.560	5,040	2.2
6,000	Wal-Mart Stores Inc	51.87	311,207	59.76	358,560	2.5	1.460	8,760	2.4
			657,801		735,030	5.1		16,800	2.3
ENTERTAINMENT									
5,000	Walt Disney Company	22.44	112,216	37.50	187,500	1.3	0.600	3,000	1.6
			112,216		187,500	1.3		3,000	1.6
TECHNOLOGY									
7,000	Intel	20.78	145,459	24.25	169,750	1.2	0.840	5,880	3.5
10,000	Microsoft Corporation	20.09	200,871	25.96	259,600	1.8	0.800	8,000	3.1
6,000	Oracle Corp.	22.75	136,497	25.65	153,900	1.1	0.240	1,440	0.9
			482,827		583,250	4.0		15,320	2.6
FOOD AND BEVERAGE									
4,500	Coca Cola	43.14	194,133	69.97	314,865	2.2	1.880	8,460	2.7
6,000	Nestle S.A. Registered Voting ADR	20.58	123,472	57.75	346,488	2.4	1.767	10,600	3.1
3,000	Pepsico	41.00	123,009	66.35	199,050	1.4	2.060	6,180	3.1
			440,614		860,403	6.0		25,240	2.9
	COMMON STOCK Total		5,161,141		6,779,511	46.9		221,365	3.3
HEDGE FUNDS (UNSUPERVISED)									
65,000.000	Abrams Capital Partners I, LP	22.54	2,057,888	31.54	2,159,075	14.2			
			2,057,888		2,159,075	14.2			
UNSUPERVISED MUTUAL FUNDS									
11,812.922	Artisan Funds International	14.40	170,074	19.83	234,250	1.6	0.282	3,336	1.4

*Schedule of Investments as of 12/31/11
 Part II, column (b) and (c)
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36-447362

Lodestar Investment Counsel, LLC
 PORTFOLIO APPRAISAL
 Modestus Bauer Foundation Schwab #1071-2375
 December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
12,269.673	Twoedy Browne Global Value Fund	15.73	193,016	21.85	268,092	1.9	0.000	0	0.0
9,573.052	Wasatch Core Growth Fund	26.41	252,793	36.16	346,162	2.4	0.000	0	0.0
			615,883		848,504	5.9		3,336	0.4
		46.44	209,002	65.64	295,380	2.0	1.331	5,992	2.0
			209,002		295,380	2.0		5,992	2.0
		100.06	150,089	100.52	150,783	1.0	3.550	5,325	3.5
		100.56	201,116	100.90	201,804	1.4	6.350	12,700	6.3
		98.23	98,231	99.29	99,288	0.7	0.000	0	0.0
		100.34	250,860	103.35	258,370	1.8	4.750	11,875	4.6
		103.11	154,667	104.21	156,315	1.1	5.000	7,500	4.8
		100.62	150,928	104.92	157,377	1.1	5.300	7,950	5.1
		107.15	160,721	108.57	162,850	1.1	4.900	7,350	4.5
		100.27	200,539	106.65	213,300	1.5	3.450	6,900	3.2
		103.58	155,374	105.88	158,814	1.1	2.900	4,350	2.7
			1,522,525		1,558,501	0.1		63,950	4.1
						10.9			

UNSUPERVISED EQUITIES & ETF's
 4,500 iShares Tr Russell 2000 Value

CORPORATE BONDS

150,000	Eli Lilly & Co. NC	100.06	150,089	100.52	150,783	1.0	3.550	5,325	3.5
200,000	3.550% Due 03-06-12	100.56	201,116	100.90	201,804	1.4	6.350	12,700	6.3
100,000	Boeing Cap Corp. NC	98.23	98,231	99.29	99,288	0.7	0.000	0	0.0
	6.350% Due 04-15-12								
	Seariver Maritime Inc. (Exxon)								
250,000	0.000% Due 09-01-12	100.34	250,860	103.35	258,370	1.8	4.750	11,875	4.6
150,000	Bellsouth Corp. NC	103.11	154,667	104.21	156,315	1.1	5.000	7,500	4.8
150,000	4.750% Due 11-15-12	100.62	150,928	104.92	157,377	1.1	5.300	7,950	5.1
150,000	General Electric Co. NC	107.15	160,721	108.57	162,850	1.1	4.900	7,350	4.5
200,000	5.000% Due 02-01-13	100.27	200,539	106.65	213,300	1.5	3.450	6,900	3.2
	Principal Life Inc. NC								
	5.300% Due 04-24-13								
	XTO Energy Inc								
	4.900% Due 02-01-14								
	Howard Hughes Medical Institute NC								
	FC 3/1/10								
150,000	3.450% Due 09-01-14	103.58	155,374	105.88	158,814	1.1	2.900	4,350	2.7
	Yale University NC								
	2.900% Due 10-15-14								

Schedule of investments as of 12/31/11
 Part II, column (b) and (c)
 Date 12/31/11

36-4473692

Lodestar Investment Counsel, LLC
 PORTFOLIO APPRAISAL
 Modestus Bauer Foundation Schwab #1071-2375
 December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
TAXABLE MUNICIPAL BONDS									
200,000	Chicago IL GO CFIF NC	100.00	200,000	100.01	200,018	1.4	5.068	10,136	5.1
100,000	5.068% Due 01-01-12 Peoria County IL SD#150 GO Assured Gty NC	100.01	100,006	101.93	101,933	0.7	2.540	2,540	2.5
145,000	2.540% Due 12-01-12 Skokie, IL GO NC	100.10	145,150	104.25	151,161	1.0	5.375	7,794	5.2
100,000	5.375% Due 12-01-12 South St. Paul SD #006 GO NC	103.72	103,718	104.99	104,993	0.7	3.250	3,250	3.1
100,000	3.250% Due 02-01-14 El Paso, TX Pension GO NC	106.08	106,076	107.06	107,058	0.7	3.610	3,610	3.4
150,000	3.610% Due 08-15-14 Du Page County, IL Wheaton SD #200 GO-AGM NC	103.66	155,494	108.37	162,553	1.1	4.400	6,600	4.1
150,000	4.400% Due 10-01-14 State of Mississippi NC	101.10	151,649	102.97	154,458	1.1	1.745	2,617	1.7
100,000	1.745% Due 11-01-14 Rosemont, IL GO NC	100.02	100,017	102.68	102,679	0.7	2.375	2,375	2.3
150,000	2.375% Due 12-01-14 Ohio St Infrastructure Rev BAB NC	100.01	150,014	104.54	156,804	1.1	3.000	4,500	2.9
150,000	3.000% Due 06-15-15 Washington St GO NC	103.17	154,751	108.59	162,882	1.1	3.400	5,100	3.1
	3.400% Due 08-01-16								
			1,366,875		1,404,540	0.1		48,522	3.5

Schedule of Investments as of 12/31/11
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36-4473692

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation Schwab #1071-2375
December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
GOVERNMENT BONDS/GOVERNMENT AGENCY									
150,000	Federal National Mortgage Association CA 1X 8/13/12 @ 100	102.51	153,769	101.38	152,074	1.1	3.000	4,500	3.0
100,000	3.000% Due 08-13-15 U S Treasury Bond 7.250% Due 05-15-16	111.12	111,119	128.28	128,281	0.9	7.250	7,250	5.7
			264,888		280,356	0.0		11,750	4.2
TREASURY SECURITIES INDEXED FOR INFLATION									
600,000	US Treasury Inflation Index 1.625% Due 01-15-18	105.81	634,841	123.12	738,720	5.1	1.625	9,750	1.3
			634,841		738,356	0.0		9,750	1.3
BOND MUTUAL FUNDS (OPEN END)									
17,730.496	Vanguard High Yield Bond Fund - Admiral	5.64	100,075	5.69	100,887	0.7	0.415	7,355	7.3
40,733.198	Virtus Multi-Sector ST Bond Fund	4.91	200,050	4.73	192,668	1.3	0.241	9,809	5.1
			300,125		293,555	2.0		17,164	5.8
FNMA									
830.6393	FNMA P/T Pool #394433	99.91	830	101.77	845	0.0	7.000	58	6.9
6,128.2277	7.000% Due 07-01-12 FNMA 15 Yr P/T Pool #576386	99.84	6,118	108.67	6,659	0.0	6.000	368	5.5
3,346.6650	6.000% Due 05-01-16 FNMA 15 Yr P/T Pool #589180	100.56	3,365	109.02	3,649	0.0	6.500	218	6.0
	6.500% Due 06-01-16								

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Lodestar Investment Counsel, LLC
 PORTFOLIO APPRAISAL
 Modestus Bauer Foundation Schwab #1071-2375
 December 31, 2011

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
1,337.2302	FNMA P/T Pool #53915 7.000% Due 04-01-31	101.09	1,352	114.72	1,534	0.0	7.000	94	6.1
678.1091	FNMA P/T Pool #577462	99.79	677	113.32	768	0.0	6.500	44	5.7
	6.500% Due 04-01-31					0.0			
			12,342		13,756	0.1		781	5.8
FHLMC									
3,553.3400	FHLMC 30 Yr. Gold Pool #C28944	98.59	3,503	114.32	4,062	0.0	7.000	249	6.1
	7.000% Due 07-01-29					0.0			
			3,503		4,062	0.0		249	6.1
TOTAL PORTFOLIO			12,154,084		14,380,367	100.0		382,870	2.7

Schedule of Investments as of 12/31/11
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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-23-10	01-05-11	4,599.816	Vanguard ST Inv Grade (Admiral Shares)	50,025		49,440	-585	
12-30-10	01-05-11	13.099	Vanguard ST Inv Grade (Admiral Shares)	141		141	0	
04-21-10	01-05-11	9,342.899	Vanguard ST Inv Grade (Admiral Shares)	100,359		100,419	60	
01-09-09	01-15-11	150,000	National Rural Utilities NC 5.350% Due 01-15-11	150,020	-20	150,000		0
04-17-01	01-15-11	125,000	Target Corp Note NC 6.350% Due 01-15-11	124,356	644	125,000		0
06-29-99	01-15-11	28.2000	FHLMC 30 Yr. Gold Pool #C28944	28	0	28		0
06-12-97	01-25-11	125.1700	7.000% Due 07-01-29 FNMA P/T Pool #394433	125	0	125		0
06-07-01	01-25-11	43.3600	7.000% Due 07-01-12 FNMA P/T Pool #53915	44	0	43		0
05-08-01	01-25-11	780.0200	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	779	0	780		1
03-20-01	01-25-11	5.7600	6.000% Due 05-01-16 FNMA P/T Pool #577462	6	0	6		0
05-31-01	01-25-11	65.8700	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	66	0	66		0
04-21-10	01-28-11	4,623.581	6.500% Due 06-01-16 Vanguard ST Inv Grade (Admiral Shares)	49,666		49,923	257	

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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
11-25-09	01-28-11	4,924.271	Vanguard ST Inv Grade (Admiral Shares)	52,450		53,169		719
05-26-09	02-01-11	150,000	Amgen CV Deb 0.125% Due 02-01-11	140,625	9,375	150,000		0
06-29-99	02-15-11	28.1600	FHLMC 30 Yr. Gold Pool #C28944	28	0	28		0
06-12-97	02-25-11	125.9600	7.000% Due 07-01-29 FNMA P/T Pool #394433	126	0	126		0
06-07-01	02-25-11	8.6300	7.000% Due 07-01-12 FNMA P/T Pool #33915	9	0	9		0
05-08-01	02-25-11	1,851.4800	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	1,849	0	1,851		3
03-20-01	02-25-11	5.8000	6.000% Due 05-01-16 FNMA P/T Pool #577462	6	0	6		0
05-31-01	02-25-11	66.2800	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	67	0	66		0
02-11-08	03-02-11	5,000	6.500% Due 06-01-16 Cisco Systems	117,558		92,749		-24,810
09-11-08	03-02-11	2,000	Cisco Systems	45,618		37,099		-8,519
10-14-08	03-02-11	2,000	Cisco Systems	38,220		37,099		-1,121
06-29-99	03-15-11	28.5600	FHLMC 30 Yr. Gold Pool #C28944	28	0	29		0
06-12-97	03-25-11	126.7500	7.000% Due 07-01-29 FNMA P/T Pool #394433	127	0	127		0
			7.000% Due 07-01-12					

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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
06-07-01	03-25-11	10.2200	FNMA P/T Pool #53915 7.000% Due 04-01-31	10	0	10	0
05-08-01	03-25-11	144.8500	FNMA 15 Yr P/T Pool #576386	145	0	145	0
03-20-01	03-25-11	535.7500	6.000% Due 05-01-16 FNMA P/T Pool #577462	535	0	536	1
05-31-01	03-25-11	66.7600	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	67	0	67	0
01-06-03	04-01-11	150,000	6.500% Due 06-01-16 Manitowoc, WI GO NC MBIA	154,580	-4,580	150,000	0
05-26-09	04-15-11	150,000	5.100% Due 04-01-11 Medtronic CV Deb	142,895	7,105	150,000	0
06-29-99	04-15-11	28.5100	1.500% Due 04-15-11 FHLMC 30 Yr. Gold Pool #C28944	28	0	29	0
06-12-97	04-25-11	127.5500	7.000% Due 07-01-29 FNMA P/T Pool #394433	127	0	128	0
06-07-01	04-25-11	45.5500	7.000% Due 07-01-12 FNMA P/T Pool #53915	46	0	46	0
05-08-01	04-25-11	143.7100	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	143	0	144	0
03-20-01	04-25-11	5.3800	6.000% Due 05-01-16 FNMA P/T Pool #577462	5	0	5	0
			6.500% Due 04-01-31				

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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-31-01	04-25-11	77.0400	FNMA 15 Yr P/T Pool #589180	77	0	77	0	0
05-09-01	05-01-11	150,000	6.500% Due 06-01-16 Caterpillar Inc. Note NC	150,886	-886	150,000	0	0
05-12-09	05-10-11	1,000	6.550% Due 05-01-11 Illinois Tool Works Inc	33,764		58,091		24,326
07-29-05	05-10-11	1,500	Coca Cola	66,422		100,670		34,248
06-29-99	05-15-11	28.9300	FHLMC 30 Yr. Gold Pool #C28944	29	0	29	0	0
06-12-97	05-25-11	128.3600	7.000% Due 07-01-29 FNMA P/T Pool #394433	128	0	128	0	0
06-07-01	05-25-11	38.2400	7.000% Due 07-01-12 FNMA P/T Pool #53915	39	0	38	0	0
05-08-01	05-25-11	193.0000	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	193	0	193	0	0
03-20-01	05-25-11	4.3800	6.000% Due 05-01-16 FNMA P/T Pool #577462	4	0	4	0	0
05-31-01	05-25-11	67.2800	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	68	0	67	0	0
04-02-08	06-01-11	150,000	6.500% Due 06-01-16 HSBC Finance Corp. NC	152,258	-2,258	150,000	0	0
06-29-99	06-15-11	30.1700	5.700% Due 06-01-11 FHLMC 30 Yr. Gold Pool #C28944	30	0	30	0	0
			7.000% Due 07-01-29					

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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-12-97	06-25-11	129.1700	FNMA P/T Pool #394433 7.000% Due 07-01-12	129	0	129	0	0
06-07-01	06-25-11	13.4900	FNMA P/T Pool #53915 7.000% Due 04-01-31	14	0	13	0	0
05-08-01	06-25-11	147.4500	FNMA 15 Yr P/T Pool #576386	147	0	147	0	0
03-20-01	06-25-11	4.4100	6.000% Due 05-01-16 FNMA P/T Pool #577462	4	0	4	0	0
05-31-01	06-25-11	69.4600	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	70	0	69	0	0
02-27-09	07-14-11	1,000	6.500% Due 06-01-16 Philip Morris Intl Inc.	34,150		66,711	32,561	0
06-29-99	07-15-11	30.6100	FHLMC 30 Yr. Gold Pool #C28944	30	0	31	0	0
06-12-97	07-25-11	129.9800	7.000% Due 07-01-29 FNMA P/T Pool #394433	130	0	130	0	0
06-07-01	07-25-11	54.8200	7.000% Due 07-01-12 FNMA P/T Pool #53915	55	0	55	-1	0
05-08-01	07-25-11	162.7800	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	163	0	163	0	0
03-20-01	07-25-11	5.4700	6.000% Due 05-01-16 FNMA P/T Pool #577462	5	0	5	0	0
05-31-01	07-25-11	68.4900	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	69	0	68	0	0
			6.500% Due 06-01-16					

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Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-29-99	08-15-11	30.5500	FHLMC 30 Yr. Gold Pool #C28944	30	0	31	0	0
			7,000% Due 07-01-29					
06-12-97	08-25-11	130.8000	FNMA P/T Pool #394433	131	0	131	0	0
			7,000% Due 07-01-12					
06-07-01	08-25-11	49.6500	FNMA P/T Pool #53915	50	0	50	-1	-1
			7,000% Due 04-01-31					
05-08-01	08-25-11	148.9900	FNMA 15 Yr P/T Pool #576386	149	0	149	0	0
			6,000% Due 05-01-16					
03-20-01	08-25-11	4.4700	FNMA P/T Pool #577462	4	0	4	0	0
			6,500% Due 04-01-31					
05-31-01	08-25-11	69.1000	FNMA 15 Yr P/T Pool #589180	69	0	69	0	0
			6,500% Due 06-01-16					
12-24-02	09-01-11	1,500	Nestle S.A. Registered Voting ADR	31,248		93,973	62,725	62,725
01-29-08	09-12-11	150,000	American Express Company NC	154,028	-4,028	150,000	0	0
			5,250% Due 09-12-11					
06-29-99	09-15-11	30.9900	FHLMC 30 Yr. Gold Pool #C28944	31	0	31	0	0
			7,000% Due 07-01-29					
06-12-97	09-25-11	131.6300	FNMA P/T Pool #394433	132	0	132	0	0
			7,000% Due 07-01-12					
06-07-01	09-25-11	9.1000	FNMA P/T Pool #53915	9	0	9	0	0
			7,000% Due 04-01-31					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-08-01	09-25-11	139.7600	FNMA 15 Yr P/T Pool #576386	140	0	140	0	0
			6.000% Due 05-01-16					
03-20-01	09-25-11	821.2400	FNMA P/T Pool #577462	820	0	821	2	2
			6.500% Due 04-01-31					
05-31-01	09-25-11	68.8500	FNMA 15 Yr P/T Pool #589180	69	0	69	0	0
			6.500% Due 06-01-16					
11-12-09	10-06-11	3,000	Stryker Corporation	148,890		141,317		-7,573
07-17-08	10-06-11	4,000	AT&T Inc Com	126,320		112,636		-13,684
10-14-08	10-06-11	2,000	AT&T Inc Com	54,131		56,318		2,188
05-12-09	10-06-11	2,000	AT&T Inc Com	51,118		56,318		5,200
09-07-07	10-06-11	3,400	Walgreen Co	151,920		112,354		-39,566
01-30-08	10-06-11	1,000	Walgreen Co	34,544		33,045		-1,499
10-14-08	10-06-11	1,600	Walgreen Co	38,488		52,872		14,384
06-29-99	10-15-11	31.1900	FHLMC 30 Yr. Gold Pool #C28944	31	0	31	0	0
			7.000% Due 07-01-29					
06-12-97	10-25-11	132.4600	FNMA P/T Pool #394433	132	0	132	0	0
			7.000% Due 07-01-12					
06-07-01	10-25-11	8.7400	FNMA P/T Pool #53915	9	0	9	0	0
			7.000% Due 04-01-31					
05-08-01	10-25-11	143.0400	FNMA 15 Yr P/T Pool #576386	143	0	143	0	0
			6.000% Due 05-01-16					
03-20-01	10-25-11	2.8700	FNMA P/T Pool #577462	3	0	3	0	0
			6.500% Due 04-01-31					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-31-01	10-25-11	69.2500	FNMA 15 Yr P/T Pool #589180	70	0	69	0	0
06-29-99	11-15-11	31.1200	6.500% Due 06-01-16 FHLMC 30 Yr. Gold Pool #C28944	31	0	31	0	0
06-12-97	11-25-11	133.3000	7.000% Due 07-01-29 FNMA P/T Pool #394433	133	0	133	0	0
06-07-01	11-25-11	7.7400	7.000% Due 07-01-12 FNMA P/T Pool #53915	8	0	8	0	0
05-08-01	11-25-11	152.4200	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	152	0	152	0	0
03-20-01	11-25-11	2.8900	6.000% Due 05-01-16 FNMA P/T Pool #577462	3	0	3	0	0
05-31-01	11-25-11	265.7100	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	267	0	266	-1	-1
12-12-05	12-01-11	200,000	6.500% Due 06-01-16 Colgate Palmolive Co Mtns NC	206,644	-6,644	200,000	0	0
06-29-99	12-15-11	31.5900	5.650% Due 12-01-11 FHLMC 30 Yr. Gold Pool #C28944	31	0	32	0	0
06-12-97	12-25-11	134.1400	7.000% Due 07-01-29 FNMA P/T Pool #394433	134	0	134	0	0
06-07-01	12-25-11	8.9700	7.000% Due 07-01-12 FNMA P/T Pool #53915	9	0	9	0	0
			7.000% Due 04-01-31					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation Schwab #1071-2375
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-08-01	12-25-11	151.4300	FNMA 15 Yr P/T Pool #576386	151	0	151		0
			6.000% Due 05-01-16					
03-20-01	12-25-11	372.1700	FNMA P/T Pool #577462	371	0	372		1
			6.500% Due 04-01-31					
05-31-01	12-25-11	64.8800	FNMA 15 Yr P/T Pool #589180	65	0	65		0
			6.500% Due 06-01-16					
TOTAL GAINS								
TOTAL LOSSES								
				2,610,479	-1,293	2,688,506	317	176,368
							-585	-96,780
TOTAL REALIZED GAIN/LOSS							-268	79,588
CAPITAL GAIN DISTRIBUTIONS								
12-29-11			Tweedy Browne Global Value Fund					6,745
TOTAL DISTRIBUTIONS				6,745			0	6,745
TOTAL GAIN/LOSS				86,065			-268	86,333