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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning NOV 1, 2011, and ending OCT 31, 2012

Name of foundation **DILLON FOUNDATION**

Number and street (or P.O. box number if mail is not delivered to street address) **P.O. BOX 537**

City or town, state, and ZIP code **STERLING, IL 61081**

Room/suite

A Employer identification number **36-6059349**

B Telephone number **(815) 626-9000**

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 ☐

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

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) **\$ 59,505,508.** (Part I, column (d) must be on cash basis)

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		1,924.	1,924.		STATEMENT 1
4 Dividends and interest from securities		1,007,067.	1,007,067.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		2,985,974.			
b Gross sales price for all assets on line 6a		22,489,506.			
7 Capital gain net income (from Part IV, line 2)			2,985,974.		
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)		92,677.	92,677.		STATEMENT 3
11 Other income		4,087,642.	4,087,642.		
12 Total. Add lines 1 through 11		5,714.	5,714.		0.
13 Compensation of officers, directors, trustees, etc		19,488.	0.		19,488.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 4		155.	0.		155.
b Accounting fees STMT 5		73,975.	36,988.		36,987.
c Other professional fees STMT 6		353,061.	353,061.		0.
17 Interest					
18 Taxes STMT 7		55,301.	31,852.		1,449.
19 Depreciation and depletion					
20 Occupancy		16,848.	0.		16,848.
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 8		13,140.	0.		13,140.
24 Total operating and administrative expenses. Add lines 13 through 23		537,682.	427,615.		88,067.
25 Contributions, gifts, grants paid		2,898,620.			2,898,620.
26 Total expenses and disbursements. Add lines 24 and 25		3,436,302.	427,615.		2,986,687.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		651,340.			
b Net investment income (if negative, enter -0-)			3,660,027.		
c Adjusted net income (if negative, enter -0-)				N/A	

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LHA For Paperwork Reduction Act Notice, see instructions.

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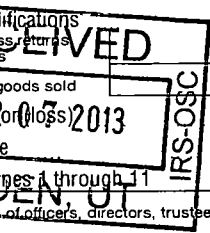
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2011 05050 DILLON FOUNDATION

DDD-5922

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	763,674.	1,270,238.	1,270,238.
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations STMT 10	4,347,661.	2,424,121.	2,424,121.
	b	Investments - corporate stock STMT 11	15,017,250.	11,101,003.	11,101,003.
	c	Investments - corporate bonds STMT 12	3,141,603.	3,468,743.	3,468,743.
Liabilities	11	Investments - land, buildings, and equipment basis ▶			
		Less: accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 13	34,842,465.	40,646,698.	40,646,698.
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation ▶			
	15	Other assets (describe ▶ STATEMENT 14)	550,463.	594,705.	594,705.
	16	Total assets (to be completed by all filers)	58,663,116.	59,505,508.	59,505,508.
Net Assets or Fund Balances	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	24	Unrestricted	58,663,116.	59,505,508.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
Net Assets or Fund Balances	30	Total net assets or fund balances	58,663,116.	59,505,508.	
	31	Total liabilities and net assets/fund balances	58,663,116.	59,505,508.	

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	58,663,116.
2	Enter amount from Part I, line 27a	2	651,340.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 9	3	191,052.
4	Add lines 1, 2, and 3	4	59,505,508.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	59,505,508.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENTS				
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 22,489,506.		19,503,532.	2,985,974.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e			2,985,974.	
2 Capital gain net income or (net capital loss)		2		2,985,974.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3		N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	2,998,116.	58,789,367.	.050998
2009	2,880,423.	56,674,247.	.050824
2008	2,693,750.	53,699,393.	.050164
2007	4,118,396.	81,287,538.	.050665
2006	4,616,484.	92,719,595.	.049790
2 Total of line 1, column (d)		2	.252441
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	.050488
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5		4	57,592,740.
5 Multiply line 4 by line 3		5	2,907,742.
6 Enter 1% of net investment income (1% of Part I, line 27b)		6	36,600.
7 Add lines 5 and 6		7	2,944,342.
8 Enter qualifying distributions from Part XII, line 4		8	2,986,687.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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)		1	36,600.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	36,600.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	36,600.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	27,838.	
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	27,838.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	8,762.	
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 checked="" type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>IL</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X	
12	Did the foundation 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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► PETER DILLON Telephone no. ► (815) 626-9000
 Located at ► PO BOX 537, STERLING, IL ZIP+4 ► 61081

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year
 ► 15 N/A

16 At any time during calendar year 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
		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 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)? Organizations relying on a current notice regarding disaster assistance check here	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input 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)	N/A	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 2011?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

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

6b

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

If "Yes" to 6b, file Form 8870

☐ Yes ☒ No

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 15		5,714.	0.	0.

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

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

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

0

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY PRIVATE WEALTH MANAGEMENT - 3424 PEACHTREE RD 12TH FLOOR, ATLANTA, GA WIPFLI	INVESTMENT MANAGER	334,775.
403 E 3RD ST, STERLING, IL 61081	AUDIT AND TAX WORK	72,835.

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1	N/A	
2		
3		
4		

Part IX-B Summary of Program-Related Investments

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

Amount

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	57,533,028.
b	Average of monthly cash balances	1b	62,469.
c	Fair market value of all other assets	1c	874,290.
d	Total (add lines 1a, b, and c)	1d	58,469,787.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	58,469,787.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	877,047.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	57,592,740.
6	Minimum investment return. Enter 5% of line 5	6	2,879,637.

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	2,879,637.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	36,600.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	36,600.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,843,037.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,843,037.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,843,037.

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	2,986,687.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,986,687.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	36,600.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,950,087.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				2,843,037.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	159,944.			
b From 2007	97,489.			
c From 2008	39,446.			
d From 2009	115,703.			
e From 2010	94,272.			
f Total of lines 3a through e	506,854.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$	2,986,687.			
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				2,843,037.
e Remaining amount distributed out of corpus	143,650.			
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	650,504.			
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 instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	159,944.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	490,560.			
10 Analysis of line 9:				
a Excess from 2007	97,489.			
b Excess from 2008	39,446.			
c Excess from 2009	115,703.			
d Excess from 2010	94,272.			
e Excess from 2011	143,650.			

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				
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY 112 NORTH SIXTH STREET SPRINGFIELD, IL 62701	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	2,500.
ACCESS SERVICES OF NORTHERN ILLINOIS 7399 FOREST HILLS RD LOVES PARK, IL 61111	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	2,000.
ALZHEIMER'S DISEASE & RELATED DISORDERS ASSOCIATION & ALZHEIMER ASSC. ROCK RIVE BRANCH 215 E FIRST ST SUITE 153 DIXON, IL 61021	NONE		IN SUPPORT OF MEDICAL RESEARCH	1,850.
AMERICA'S FUTURE INC. 7800 BONHOMME AVE ST LOUIS, MO 63105	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	1,750.
AMERICAN CANCER SOCIETY / NORTHERN REGION 4312 EAST STATE ST ROCKFORD, IL 61108	NONE		TO SUPPORT MISSIONS RELATED TO DISEASE, DISORDER AND	7,250.
Total	SEE CONTINUATION SHEET(S)			2,898,620.
b Approved for future payment				
NONE				
Total				0.

Part XVII

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

- | | | Yes | No |
|----------|--|-------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

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

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date _____

Title

PRESIDENT

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ self-employed

PTIN

RICHARD J. WELLS

RICHARD J. WELLS

02/19/13

Firm's name ► **WIPFLI LLP**

Firm's EIN ► 39-0758449

Firm's address ► 403 EAST 3RD STREET
STERLING, IL 61081

Phone no. **815-626-1277**

Part XV **Supplementary Information****3 Grants and Contributions Paid During the Year (Continuation)**

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
AMERICAN RED CROSS / LINCOLN LAND CHAPTER 112 W SECOND ST ROCK FALLS, IL 61071	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	4,250.
AN ORPHAN'S PRAYER FOUNDATION P O BOX 205 YORKVILLE, IL 60560	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	500.
ANIMAL FRIENDS RESCUE PROJECT P O BOX 51083 PACIFIC GROVE, CA 93950	NONE		TO SUPPORT THE ORGANIZATIONS ANIMAL RELATED ACTIVITIES	500.
ARBOR DAY FOUNDATION 100 ARBOR AVE NEBRASKA CITY, NE 68410	NONE		ENVIRONMENTAL QUALITY AND PROTECTION ACTIVITIES	1,600.
ASSOCIATION OF SMALL FOUNDATIONS 4905 DEL RAY AVE SUITE 308 BETHESDA, MD 20814	NONE		IN SUPPORT OF PHILANTHROPY VOLUNTARISM	3,250.
AUGUSTANA COLLEGE / WVIK & FRANK SUNDRAM 639 38TH STREET ROCK ISLAND, IL 61201	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	1,000.
AVISTA HOSPITAL FOUNDATION 7995 E PRENTICE AVE #204 GREENWOOD VILLAGE, CO 80111	NONE		TO SUPPORT MISSIONS RELATED TO DISEASE, DISORDER AND	500.
BATAVIA UNIT SCHOOL 1200 W WILSON ST BATAVIA, IL 60510	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,000.
BEREA COLLEGE BEREA COLLEGE BEREA, KY 40404	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	7,900.
BI COUNTY COOPERATIVE FOUNDATION 506 W FOURTH ST #B STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	7,700.
Total from continuation sheets				2,883,270.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
BIG BROTHER-BIG SISTER OF THE MISSISSIPPI VALLEY 300 FIRST AVENUE ROCK FALLS, IL 61071	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	4,900.
BITTORF HOME 105 16TH AVE STERLING, IL 61081	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS	10,589.
BOY SCOUTS OF AMERICA BLACKHAWK AREA COUNCIL 1800 7TH AVENUE P.O. BOX 4085 ROCKFORD, IL 61110-0585	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	7,000.
BOY SCOUTS OF AMERICA DENVER COUNCIL 2901 W 19TH AVENUE DENVER, CO 80204	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	4,500.
BOY SCOUTS OF AMERICA TROOP 305 1902 LOCUST STREET STERLING, IL 61081	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	1,303.
CAPITAL RESEARCH CENTER 1513 16TH ST NW WASHINGTON, DC 20036-5197	NONE		PUBLIC AFFAIRS, SOCIETY BENEFIT	1,300.
CENTENNIAL COMMUNITY CHURCH OF LITTLETON 5890 SOUTH ALKIRE STREET LITTLETON, CO 80125	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	1,000.
CENTRAL INDIA CHRISTIAN MISSION 9911 EMNORA LANE HOUSTON, TX 77080	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	1,000.
CGH HEALTH FOUNDATION 100 E. LEFEVRE STERLING, IL 61081	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	19,000.
CHALLAND MIDDLE SCHOOL 1700 6TH AVENUE STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	928.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
CHILDREN'S DIABETES FOUNDATION AT DENVER 777 GRANT ST SUITE 302 DENVER, CO 80203	NONE		TO SUPPORT MISSIONS RELATED TO DISEASE, DISORDER AND	500.
CHINESE CHILDREN CHARITIES 6920 SOUTH HOLLY CIRCLE CENTENNIAL, CO 80112	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	1,000.
CHRIST LUTHERAN CHURCH 2000 18TH AVENUE STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,297.
CITY OF DIXON VETERAN'S MEMORIAL PARK, PO BOX 386 DIXON, IL 61021	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITIES	500.
CITY OF GOD PO BOX 745 STERLING, IL 61081	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	2,600.
CITY OF STERLING 212 THIRD AVENUE STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	149,674.
CITY OF STERLING - DARE PROGRAM 212 THIRD AVENUE STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,000.
CLINTON SYMPHONY ORCHESTRA ASSOCIATION P O BOX 116 CLINTON, IA 52733-0116	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	2,000.
COLOMA TOWNSHIP PARK DISTRICT 508 EAST 11TH STREET ROCK FALLS, IL 61071	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	12,500.
COMMUNITY CHRISTMAS FOR CHILDREN & CAROL SIEFKEN 409 WEST 21ST ST STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	7,500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
COMMUNITY UNIT SCHOOL DISTRICT 5 410 E LEFEVRE RD STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	446,149.
CULTURAL LITERACY FOUNDATION 801 E HIGH ST CHARLOTTESVILLE, VA 22901	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,000.
DANIELS MIDDLE SCHOOL 2816 ABERLIN RD. RALEIGH, NC 27608	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	1,500.
DENVER ZOOLOGICAL FOUNDATION INC 2300 STEELE STREET DENVER, CO 80205	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	3,000.
DISCOVERY CENTER MUSEUM OF ROCKFORD, INC. 711 NORTH MAIN ROCKFORD, IL 61103	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	250.
EAST COLOMA SCHOOL DISTRICT 12 1602 DIXON RD ROCK FALLS, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,266.
EUREKA COLLEGE 300 E COLLEGE AVE EUREKA, IL 61530	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,750.
FIRST PRESBYTERIAN CHURCH 410 2ND AVENUE STERLING, IL 61081	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	27,500.
FOOD BANK OF MONTERAY COUNTY 815 W MARKET #5 SALINAS, CA 93901	NONE		TO SUPPORT FOOD, NUTRITION AND AGRICULTURE PROGRAMS	1,000.
FOUNDATION FOR TEACHING ECONOMICS 260 RUSSELL BLVD SUITE B DAVIS, CA 95616	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,600.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
FOX VALLEY HOSPICE P O BOX 707 GENEVA, IL 60134	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	2,031.
FREEDOMS FOUNDATION AT VALLEY FORGE P O BOX 706 VALLEY FORGE, PA 19481	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	2,250.
GIRL SCOUTS OF NORTHERN ILLINOIS FREEPORT SERVICE CENTER 5040 WEST BUSINESS ROUTE #20 FREEPORT, IL 61032-8741	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	7,500.
GRACE EPISCOPAL CHURCH 707 FIRST AVENUE STERLING, IL 61081	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	32,500.
GREATER STERLING DEVELOPMENT CORPORATION 1741 INDUSTRIAL DRIVE STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	87,283.
GUIDING EYES FOR THE BLIND 611 GRANITE SPRINGS RD YORKTOWN HEIGHTS, NY 10598	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	2,200.
HAPPY TAILS HUMANE SOCIETY 1408 MCNEIL ROAD ROCK FALLS, IL 61071	NONE		TO SUPPORT THE ORGANIZATIONS ANIMAL RELATED ACTIVITI	1,500.
HAYES BARTON BAPTIST CHURCH 1800 GLENWOOD AVENUE RALEIGH, NC 27608	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	1,000.
HEARTS AND HOOVES INC 430 SWINE LAKE LOCKHART, TX 78644	NONE		TO SUPPORT THE ORGANIZATIONS ANIMAL RELATED ACTIVITIES	300.
HEARTS OF FIRE 2342 BROADWAY ST DENVER, CO 80205	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
HOME OF HOPE OF THE ROCK RIVER VALLEY INC 1637 PLOCK RD DIXON, IL 61021	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	6,750.
HOSPICE OF THE ROCK RIVER VALLEY 264 IL RTE 2 DIXON, IL 61021	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	8,750.
ILLINOIS CONSERVATION FOUNDATION & FRIENDS OF BLACKHAWK STATUE FUND ONE NATURAL RESOURCE WAY SPRINGFIELD, IL 62702	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	29,500.
ILLINOIS COUNCIL ON ECONOMIC EDUCATION NORTHERN ILLINOIS UNIVERSITY DEKALB, IL 61115	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,100.
ILLINOIS MATHEMATICS & SCIENCE ACADEMY 1500 W. SULLIVAN ROAD AURORA, IL 60506-1039	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	4,350.
JOHNSON O' CONNOR RESEARCH 347 BEACON ST BOSTON, MA 02116-1102	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	1,750.
JUNIOR ACHIEVEMENT OF THE HEARTLAND, INC. 800 12TH AVENUE MOLINE, IL 61265	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	4,750.
JUNIOR TACKLE FOOTBALL INC OF STERLING, IL 3806 WOODLAWN RD STERLING, IL 61081	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	7,500.
KANEVILLE UNITED METHODIST CHURCH 46W764 MAIN ST ELBURM, IL 60119	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	3,281.
KEITH COUNTY DAY SCHOOL 1 JACOBY PLACE ROCKFORD, IL 61107	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
KIWANIS CLUB OF STERLING FOUNDATION ATTN: COATS FOR KIDS CHAIR PERSON P O BOX 44 STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	3,250.
LIVING WELL CANCER RESOURCE CENTER 1803 W STATE STREET GENEVA, IL 60134	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	5,125.
LUTHERAN SOCIAL SERVICES OF IL 1901 FIRST AVENUE STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	4,500.
LYRIC OPERA OF CHICAGO 20 N WACHER DRIVE CHICAGO, IL 60606	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	10,000.
MAKE A WISH FOUNDATION OF COLORADO INC 7951 E MAPLEWOOD AVENUE GREENWOOD VILLAGE, CO 80111	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	1,500.
MAPLE GROVE ELEMENTARY SCHOOL 3085 ALKIRE STREET GOLDEN, CO 80401	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	5,000.
MARCH OF DIMES BIRTH DEFECTS FOUNDATION NORTHERN IL DIVISION 5411 EAST STATE ST #8 ROCKFORD, IL 61108	NONE		IN SUPPORT OF MEDICAL RESEARCH	2,150.
MAX MCGRAW WILD LIFE FOUNDATION 14N 322 RTE 25 P O BOX 9 DUNDEE, IL 60118	NONE		TO SUPPORT THE ORGANIZATIONS ANIMAL RELATED ACTIVITIES	4,062.
MAYO FOUNDATION FOR MEDICAL EDUCATION & RESEARCH 200 FIRST ST S W ROCHESTER, MN 55905	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	15,500.
MEDIA WORKING GROUP PO BOX 1807 LEXINGTON, KY 40588	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITIES	1,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
MEMORIAL SLOAN-KETTERING CANCER CENTER P O BOX 599 LENNOX HILL NEW YORK, NY 10021-0004	NONE		IN SUPPORT OF MEDICAL RESEARCH	3,000.
MONTANA STATE UNIVERSITY- MUSEUM OF THE ROCKIES INC CAPITAL CHAMPAIGN 600 WEST KAGY BOULEVARD BOZEMAN, MT 59717	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	7,000.
MONTMORENCY SCHOOL DISTRICT 12 9415 HOOVER RD ROCK FALLS, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,978.
NATIONAL FIRE SAFETY COUNCIL INC 110 WEST 5TH ST STERLING, IL 61081	NONE		PUBLIC SAFETY DISASTER PREPAREDNESS & RELIEF	850.
NATIONAL JEWISH MEDICAL AND RESEARCH CENTER 100 NORTH LASALLE SUITE 1612 CHICAGO, IL 60602	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	2,250.
NATIONAL TRUST FOR HISTORIC PRESERVATION MIDWEST REGIONAL 53 W JACKSON BLVD SUITE 350 CHICAGO, IL 60604	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	4,250.
NELSON PUBLIC ELEMENTARY SCHOOL P O BOX 880 NELSON, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	1,433.
NEWMAN CENTRAL CATHOLIC HIGH SCHOOL 1101 WEST ST. MARY'S ROAD STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,580.
NORTHERN ILLINOIS UNIVERSITY FOUNDATION - WNIU 801 N FIRST ST DEKALB, IL 60115-2854	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	5,000.
NORTHWESTERN IL CENTER FOR INDEPENDENT LIVING 229 FIRST AVE SUITE 2 ROCK FALLS, IL 61071	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	2,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
OPERATION SMILE 6435 TIDEWATER DR. NORFOLK, VA 23509	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	2,500.
PARKER EVANGELICAL PRESBYTERIAN CHURCH 9100 E PARKER ROAD PARKER, CO 80138	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	1,000.
PRESBYTERIAN CHURCH (USA) FOUNDATION 200 EAST TWELFTH STREET JEFFERSONVILLE, IN 47130	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	7,500.
ROCK FALLS ELEMENTARY SCHOOL DISTRICT 13 602 4TH AVENUE ROCK FALLS, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	12,430.
ROCK FALLS PUBLIC LIBRARY 1007 7TH AVE ROCK FALLS, IL 61071	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	8,500.
ROCK FALLS TOWNSHIP HIGH SCHOOL DISTRICT 301 101 12TH AVE. ROCK FALLS, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	7,532.
ROCK RIVER ROAD RUNNERS & JOHN GEHRKE 801 E. 35TH STREET STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	612.
ROCK RIVER VALLEY SELF HELP ENTERPRISES 2300 WEST LEFEVRE ROAD STERLING, IL 61081	NONE		FOR SUPPORT OF MENTAL HEALTH AND CRISIS INTERVENTION	18,500.
ROCKFORD ART MUSEUM 711 N MAIN ST ROCKFORD, IL 61103	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	250.
ROCKFORD COLLEGE 5050 EAST STATE ST. ROCKFORD, IL 61108	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	5,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
SAUK VALLEY COMMUNITY COLLEGE FOUNDATION 173 ILLINOIS ROUTE #2 DIXON, IL 61021	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	79,604.
SAUK VALLEY FOODBANK 1801 PLANT RD STERLING, IL 61081	NONE		TO SUPPORT FOOD, NUTRITION AND AGRICULTURE PROGRAMS	10,400.
SAVE ELLIS ISLAND INC P O BOX 96389 WASHINGTON, DC 20077	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	500.
SEVENTH DAY ADVENTIST 501 W SECOND ST ROCK FALLS, IL 61071	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	1,100.
SISKIN CHILDREN'S INSTITUTE ONE SISKIN PLAZA CHATTANOOGA, TN 37403	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	5,000.
SPCA FOR MONTEREY COUNTY P O BOX 3058 MONTEREY, CA 93942	NONE		TO SUPPORT THE ORGANIZATIONS ANIMAL RELATED ACTIVITIES	500.
SPECIAL OLYMPICS OF ILLINOIS 605 E WILLOW ST NORMAL, IL 61761	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	3,500.
ST ANDREW CATHOLIC ELEMENTARY SCHOOL 701 11TH AVE ROCK FALLS, IL 61071	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	2,782.
ST VINCENT DEPAUL-STERLING/ROCK FALLS 7 WEST SIXTH STREET STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	500.
ST. JUDE CHILDREN'S RESEARCH HOSPITAL 501 ST JUDE PL MEMPHIS, TN 38105	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	3,500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
ST. MARK'S EPISCOPAL CHURCH 320 FRANKLIN STREET GENEVA, IL 60134	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	5,000.
ST. MARY'S GRADE SCHOOL 6 W SIXTH ST STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	6,144.
STANWOOD COMMUNITY SENIOR CENTER 7430 276TH STREET NW STANWOOD, WA 98292-8629	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	7,500.
STERLING HIGH SCHOOL 1608 FOURTH AVE. STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	57,489.
STERLING MAIN STREET P O BOX 261 STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	6,250.
STERLING PARK DISTRICT 211 E ST MARY'S LAND P O BOX 958 STERLING, IL 61081	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	477,005.
STERLING PARK DISTRICT MUSEUM ASSOCIATION 211 E ST MARY'S LAND P O BOX 958 STERLING, IL 61081	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	139,987.
STERLING PUBLIC LIBRARY 102 WEST 3RD ST STERLING, IL 61081	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	25,000.
STERLING ROCK FALL COMMUNITY TRUST C/O MIDLAND STATES BANK, 302 FIRST AVENUE STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	1,250.
STERLING ROCK FALLS DAY CARE AGENCY, INC. 1840 W LE FEVRE STERLING, IL 61081	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	9,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
STERLING ROCK FALLS FAMILY YMCA (ANNUAL SUPPORT) 2505 YMCA WAY STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	51,900.
STERLING ROCK FALLS HISTORICAL SOCIETY 1005 E. 3RD STERLING, IL 61081	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	47,906.
STERLING SCHOOLS FOUNDATION P O BOX 1046 STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	216,209.
STERLING TODAY INC P.O. BOX 183 STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	5,000.
STERLING TOWNSHIP 108 4TH AVENUE STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	2,500.
SULLIVAN HOME 104 15TH AVE STERLING, IL 61081	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	48,820.
THE ASSOCIATED COLLEGES OF ILLINOIS 150 N WACKER DR SUITE 11740 CHICAGO, IL 60606	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	12,000.
THE CARING CENTER % DAVID MURRAY 2800 E HILL DRIVE ROCK FALLS, IL 61071	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	4,000.
THE CHILDREN'S HOSPITAL COLORADO FOUNDATION ANSCHUTZ MEDICAL CAMPUS 13123 E 16TH AVE AURORA, CO 80045	NONE		TO SUPPORT MISSIONS RELATED TO DISEASE, DISORDER AND	1,500.
THE CIVIL WAR PRESERVATION TRUST 1331 H STREET SUITE #1001 WASHINGTON, DC 20005	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	4,250.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
THE CULVER EDUCATIONAL FOUNDATION 1300 ACADEMY RD #29 CULVER, IN 46511	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	7,500.
THE DICTIONARY PROJECT P O BOX 1845 CHARLESTON, SC 29402	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	1,300.
THE FOUNDATION CENTER 79 5TH AVENUE NEW YORK, NY 10003	NONE		IN SUPPORT OF PHILANTHROPY VOLUNTARISM	2,600.
THE JOSEPH F GLIDDEN HOMESTEAD FOUNDATION 2944 GREENWOOD ACRES DR DEKALB, IL 60115	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	3,000.
THE NATURE CONSERVANCY OF IL CHAPTER 8 S MICHIGAN SUITE 900 CHICAGO, IL 60603-9619	NONE		ENVIRONMENTAL QUALITY AND PROTECTION ACTIVITIES	6,250.
THE PHILANTHROPY ROUND TABLE 1150 17TH ST N.W. SUITE 503 WASHINGTON, DC 20036-5197	NONE		IN SUPPORT OF PHILANTHROPY VOLUNTARISM	1,200.
THE ROCKFORD INSTITUTE 934 NORTH MAIN ST ROCKFORD, IL 61103	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	3,100.
THE SALVATION ARMY P.O. BOX 366 STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	19,000.
THE UNITED STATES OLYMPIC COMMITTEE ONE OLYMPIC PLAZA COLORADO SPRINGS, CO 80909	NONE		TO SUPPORT RECREATION, LEISURE, SPORTS, ATHLETICS AC	2,500.
TIMBER LAKE PLAYHOUSE P.O. BOX 29 MT. CARROLL, IL 61053	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	5,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
TWIN CITY PUBLIC ACTION TO DELIVER SHELTER, INC. 507 W. 3RD ST. STERLING, IL 61081	NONE		HOUSING AND SHELTER	3,600.
UNION LEAGUE BOYS & GIRLS CLUBS 65 W. JACKSON BLVD. CHICAGO, IL 60604	NONE		IN SUPPORT OF YOUTH DEVELOPMENT	3,500.
UNITED STATES POSTAL SERVICE 408 THIRD AVENUE STERLING, IL 61081	NONE		TO SUPPORT COMMUNITY IMPROVEMENT, DEVELOPMENT	42.
UNITED WAY OF WHITESIDE COUNTY P O BOX 806 STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	143,036.
UNIVERSITY OF COLORADO FOUNDATION INC 4200 E 9TH AVENUE B188 DENVER, CO 80262	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	6,000.
UNIVERSITY OF DUBUQUE 200 UNIVERSITY AVENUE DUBUQUE, IA 52001	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	7,500.
URSULINE PROVINCIALATE 210 GLENNON HEIGHTS ROAD CRYSTAL CITY, MO 63019	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	1,000.
WESLEY UNITED METHODIST CHURCH 2200 16TH AVE STERLING, IL 61081	NONE		TO SUPPORT RELIGION RELATED/SPIRITUAL DEVELOPMENT	500.
WHITESIDE AREA CAREER CENTER 1608 FIFTH AVENUE STERLING, IL 61081	NONE		IN SUPPORT OF THE EDUCATION/INSTRUCTION AND RELATED	40,000.
WHITESIDE CO COMMUNITY HEALTH CLINIC 1300 W 2ND ST ROCK FALLS, IL 61071	NONE		TO SUPPORT THE HEALTH/GENERAL AND RELATED MISSIONS	2,500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
WHITESIDE COUNTY SENIOR CENTER 1207 W 9TH ST STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	15,500.
WOODLAWN ARTS ACADEMY- OPERATING EXPENSES 3807 WOODLAWN STERLING, IL 61081	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	230,590.
WOODLAWN ARTS ACADEMY- CAPITAL 3807 WOODLAWN STERLING, IL 61081	NONE		SUPPORT OF THE ORGANIZATIONS ARTS, CULTURE, HUMANITI	2,103.
YMCA AT UNIVERSITY OF ILLINOIS 1001 S. WRIGHT ST. CHAMPAIGN, IL 61820	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	6,000.
YWCA MONTEREY 236 MONTEREY STREET SALINAS, CA 93901	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	500.
YWCA OF THE SAUK VALLEY 412 FIRST AVE STERLING, IL 61081	NONE		IN SUPPORT OF HUMAN SERVICE ACTIVITIES	22,500.
Total from continuation sheets				

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	AVENUE STRATEGIC PARTNERS HEDGE FUND OF FUNDS	P	VARIOUS	VARIOUS
b	CINCINNATI INVESTMENT GRADE CORPORATE BONDS	P	VARIOUS	VARIOUS
c	DELAWARE	P	VARIOUS	VARIOUS
d	FOREIGN CURRENCY STRUCTURED NOTE	P	VARIOUS	VARIOUS
e	INTEREST RATE STRUCTURED NOTE	P	VARIOUS	VARIOUS
f	OPPORTUNITISTIC (10-WAABU)	P	VARIOUS	VARIOUS
g	OPPORTUNITISTIC (10-78478)	P	VARIOUS	VARIOUS
h	OPTIONS	P	VARIOUS	VARIOUS
i	REIT JUMP NOTE	P	VARIOUS	VARIOUS
j	RENAISSANCE	P	VARIOUS	VARIOUS
k	RIVER ROAD	P	VARIOUS	VARIOUS
l	SAGE ADVISORY INVESTMENT GRADE GOV'T BONDS	P	VARIOUS	VARIOUS
m	SCHAFER CULLEN	P	VARIOUS	VARIOUS
n	WENTWORTH	P	VARIOUS	VARIOUS
o	TAX LEIN CERTIFICATES (TLC)	P	VARIOUS	VARIOUS

(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 234,821.		234,821.	0.
b 1,291,787.		1,283,874.	7,913.
c 335,001.		268,915.	66,086.
d 1,500,000.		1,321,205.	178,795.
e 1,000,000.		1,000,000.	0.
f 2,753,981.		2,559,718.	194,263.
g 510,409.		380,779.	129,630.
h 44,241.			44,241.
i 2,000,000.		1,120,000.	880,000.
j 5,323,134.		4,524,730.	798,404.
k 956,635.		869,674.	86,961.
l 4,056,729.		3,954,986.	101,743.
m 1,696,450.		1,361,525.	334,925.
n 231,668.		142,948.	88,720.
o 554,650.		480,357.	74,293.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			0.
b			7,913.
c			66,086.
d			178,795.
e			0.
f			194,263.
g			129,630.
h			44,241.
i			880,000.
j			798,404.
k			86,961.
l			101,743.
m			334,925.
n			88,720.
o			74,293.

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	2,985,974.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MORGAN STANLEY	617.
PMGJP & AC, LLC	1,307.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,924.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CINCINNATI INVTMT GRDE CRP BNDS	224,208.	0.	224,208.
DELAWARE INTERNATIONAL	151,832.	0.	151,832.
EEM DD TRIGG PLUS	10.	0.	10.
FOREIGN CURRENCY STRUCTURED NOTE	7.	0.	7.
FRONTPOINT JSC	150,078.	0.	150,078.
INTEREST RATE STRUCTURED NOTE	1.	0.	1.
OPPORTUNITISTIC - 78478	77,663.	0.	77,663.
OPPORTUNITISTIC - 78478	17,830.	0.	17,830.
OPTIONS	778.	0.	778.
REIT JUMP NOTE	4.	0.	4.
RENAISSANCE LG OPP. CAP GROWTH	29,100.	0.	29,100.
RIVER ROAD ACCOUNT	42,233.	0.	42,233.
SAGE ADVISORY GRADE GOV'T BNDS	80,470.	0.	80,470.
SCHAFER CULLEN LARGE CAP	165,295.	0.	165,295.
WENTWORTH HAUSER INTERNATIONAL	67,558.	0.	67,558.
TOTAL TO FM 990-PF, PART I, LN 4	1,007,067.	0.	1,007,067.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	4,276.	4,276.	
CHANGE IN BASIS	88,401.	88,401.	
TOTAL TO FORM 990-PF, PART I, LINE 11	92,677.	92,677.	

FORM 990-PF	TAXES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX ON INVESTMENT INCOME	22,000.	0.		0.
FOREIGN TAXES PAID	31,852.	31,852.		0.
PAYROLL TAXES	1,449.	0.		1,449.
TO FORM 990-PF, PG 1, LN 18	55,301.	31,852.		1,449.

FORM 990-PF	OTHER EXPENSES	STATEMENT	8
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE & OFFICE SUPPLIES	5,760.	0.		5,760.
DUES AND SUBSCRIPTIONS	2,379.	0.		2,379.
BANK SERVICE CHARGE	2,906.	0.		2,906.
MISCELLANEOUS	1,345.	0.		1,345.
FILING FEES	750.	0.		750.
TO FORM 990-PF, PG 1, LN 23	13,140.	0.		13,140.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	9
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DESCRIPTION	AMOUNT
CURRENT PERIOD UNREALIZED GAIN (LOSS) ON INVESTMENTS	191,052.
TOTAL TO FORM 990-PF, PART III, LINE 3	191,052.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	10
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SAGE ADVISORY	X		2,424,121.	2,424,121.
TOTAL U.S. GOVERNMENT OBLIGATIONS			2,424,121.	2,424,121.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			2,424,121.	2,424,121.

FORM 990-PF	CORPORATE STOCK	STATEMENT 11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DISCOVERY GLOBAL OPPORTUNITY	4,356,820.	4,356,820.
RENAISSANCE LARGE CAP GROWTH	0.	0.
RIVER ROAD SMALL/MID VALUE	2,498,470.	2,498,470.
SCHAFFER CULLEN LARGE CAP VALUE	4,245,713.	4,245,713.
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,101,003.	11,101,003.

FORM 990-PF	CORPORATE BONDS	STATEMENT 12
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CINCINNATI INVESTMENT BONDS	3,468,743.	3,468,743.
TOTAL TO FORM 990-PF, PART II, LINE 10C	3,468,743.	3,468,743.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 13
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
AVENUE STRATEGIC PTNR HEDGE FUND	FMV	0.	0.
BAY RESOURCE	FMV	4,660,500.	4,660,500.
DELAWARE INTERNATIONAL	FMV	4,047,203.	4,047,203.
DJIA LASERS NOTE	FMV	4,822,000.	4,822,000.
DOUBLE BLACK DIAMOND	FMV	3,595,367.	3,595,367.
FOREIGN CURRENCY STRUCTURED NOTE	FMV	0.	0.
FRONTPOINT	FMV	3,019,540.	3,019,540.
INTEREST RATE STRUCTURED NOTE	FMV	0.	0.
MILLENNIUM	FMV	3,849,087.	3,849,087.
OPPORTUNISTIC BEST IDEAS	FMV	0.	0.
REIT JUMP NOTE	FMV	0.	0.
TAX LIENS PURCHASED	FMV	400,234.	400,234.
WENTWORTH HAUSER	FMV	3,494,335.	3,494,335.
INVESTMENT OPTIONS	FMV	1,937,618.	1,937,618.
EEM DD TRIGG PLUS	FMV	2,463,750.	2,463,750.
OPPORTUNISTIC PORTFOLIO	FMV	3,223,245.	3,223,245.
DOUBLELINE	FMV	5,133,819.	5,133,819.
TOTAL TO FORM 990-PF, PART II, LINE 13		40,646,698.	40,646,698.

FORM 990-PF	OTHER ASSETS	STATEMENT 14
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
CONSTRUCTION IN PROGRESS	550,463.	594,705.	594,705.
TO FORM 990-PF, PART II, LINE 15	550,463.	594,705.	594,705.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 15
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PETER W. DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	PRESIDENT 12.00	0.	0.	0.
PATRICK DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	VICE PRESIDENT 0.10	0.	0.	0.
JOHN VAN OSDOL C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	TREASURER 0.50	0.	0.	0.
MARGO DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	ASSISTANT TREASURER 0.10	0.	0.	0.
GALE D. INGLEE C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	ASSISTANT SECRETARY 0.10	0.	0.	0.
JAMES BOESEN C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	SECRETARY 0.10	5,714.	0.	0.
THOMAS LEXVOLD C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.
MARK INGLEE C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.

DILLON FOUNDATION

36-6059349

DEBORAH D. HAGLUND DIRECTOR
C/O DILLON FOUND., 2804 W. LEFEVRE 0.10
STERLING, IL 61081

0. 0. 0.

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

5,714. 0. 0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 16

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

PETER W. DILLON
PO BOX 537
STERLING, IL 61081

TELEPHONE NUMBER

(815)626-9000

FORM AND CONTENT OF APPLICATIONS

IN LETTER FORM STATING PURPOSE OF GRANT AND INCLUDE COPY OF EXEMPTION
LETTER

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE