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

2011

Department of the Treasury
Internal Revenue Service

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

For calendar year 2011, or tax year beginning 12/01, 2011, **and ending** 11/30, 2012

THE ELKES FOUNDATION
C/O DAVIDSON, DAWSON, 60EAST 42ND ST 38 FL
NEW YORK, NY 10165

A Employer identification number
13-3497016

B Telephone number (see the instructions)
917-398-9505

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, column (c), line 16)
▶ \$ 60,263,626.

J Accounting method Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis)

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 (att sch)	2,250,000.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	841,002.	841,002.	841,002.	
	4 Dividends and interest from securities	2,112,699.	2,112,699.	2,112,699.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	1,024,995.			
	b Gross sales price for all assets on line 6a	15,759,689.			
	7 Capital gain net income (from Part IV, line 8)		1,024,995.		
	8 Net short-term capital gain			192,845.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	6,228,696.	3,978,696.	3,146,546.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	389,202.	194,601.	389,202.	
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See St 1	21,093.	10,547.	21,093.	
	b Accounting fees (attach sch) See St 2	28,985.		28,985.	
	c Other prof fees (attach sch) See St 3	237,771.	237,771.	237,771.	
	17 Interest	39.	39.	39.	
	18 Taxes (attach schedule)(see instrs) See Stm 4	1,500.		1,500.	
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	4,508.		4,508.	
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 5	26,379.		26,379.	
	24 Total operating and administrative expenses. Add lines 13 through 23	709,477.	442,958.	709,477.	
	25 Contributions, gifts, grants paid Part XV	1,977,100.			1,977,100.
26 Total expenses and disbursements. Add lines 24 and 25	2,686,577.	442,958.	709,477.	1,977,100.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	3,542,119.				
b Net investment income (if negative, enter -0-)		3,535,738.			
c Adjusted net income (if negative, enter -0-)			2,437,069.		

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing	464,688.	106,497.	106,497.
	2 Savings and temporary cash investments	1,567,469.	129,020.	129,020.
	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 sch)			
	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)	1,022.	952.	952.
	b Investments – corporate stock (attach schedule)	25,070,411.	24,439,412.	24,439,412.
	c Investments – corporate bonds (attach schedule)	5,811,945.	4,786,688.	4,786,688.
	11 Investments – land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)	21,044,922.	30,801,057.	30,801,057.	
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)	53,960,457.	60,263,626.	60,263,626.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & 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 ASSET/LIABILITIES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	53,960,457.	60,263,626.	
	30 Total net assets or fund balances (see instructions)	53,960,457.	60,263,626.	
31 Total liabilities and net assets/fund balances (see instructions)	53,960,457.	60,263,626.		

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	53,960,457.
2 Enter amount from Part I, line 27a	2	3,542,119.
3 Other increases not included in line 2 (itemize) <u>See Statement 6</u>	3	2,761,050.
4 Add lines 1, 2, and 3	4	60,263,626.
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	60,263,626.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a See Statement 7			
b			
c			
d			
e			

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	1,024,995.
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	192,845.

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 the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	2,949,322.	53,727,235.	0.054894
2009	2,185,642.	46,784,938.	0.046717
2008	1,233,106.	23,624,917.	0.052195
2007	246,900.	11,005,515.	0.022434
2006	386,029.	6,330,257.	0.060982

2 Total of line 1, column (d)	2	0.237222
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.047444
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	57,008,093.
5 Multiply line 4 by line 3	5	2,704,692.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	35,357.
7 Add lines 5 and 6	7	2,740,049.
8 Enter qualifying distributions from Part XII, line 4	8	1,977,100.

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)

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	70,715.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	70,715.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	70,715.
6 Credits/Payments			
a 2011 estimated tax prmts and 2010 overpayment credited to 2011	6a	83,619.	
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	83,619.	
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		0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		12,904.
11 Enter the amount of line 10 to be. Credited to 2012 estimated tax <input type="checkbox"/> 12,904. <input checked="" type="checkbox"/> Refunded	11		0.

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
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>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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?		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>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) NY		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

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? Website address <u>WWW.ELKESFOUNDATION.ORG</u>	13	X	
14	The books are in care of <u>J. BRADLEY, P.C.</u> Telephone no. <u>(212) 764-0644</u> Located at <u>130 WEST 42ND STREET NEW YORK NY</u> ZIP + 4 <u>10036</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	N/A		<input type="checkbox"/>
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		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 <input type="checkbox"/>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>		
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 <u>20__ , 20__ , 20__ , 20__</u>		
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	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

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 No

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d). N/A

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

6b 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

7b 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
Steven A. Elkes c/o 60 East 42nd St, 38 Floor New York, NY 10165	Trustee 20.00	129,734.	0.	0.
David A. Elkes c/o 60 East 42nd St, 38 Floor New York, NY 10165	Trustee 20.00	129,734.	0.	0.
Daniel A. Elkes c/o 60 East 42nd St, 38 Floor New York, NY 10165	Trustee 20.00	129,734.	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 0

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Kenneth F. Gorman c/o 60 East 42nd Street, 38th Floor New York, NY 10165	Consultant	195,000.

Total number of others receiving over \$50,000 for professional services		195,000

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 (see instructions)

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.

BAA

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	56,387,737.
b Average of monthly cash balances	1b	1,488,500.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	57,876,237.
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	57,876,237.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	868,144.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	57,008,093.
6 Minimum investment return. Enter 5% of line 5	6	2,850,405.

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	2,850,405.
2a Tax on investment income for 2011 from Part VI, line 5	2a	70,715.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	70,715.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	2,779,690.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	2,779,690.
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	2,779,690.

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	1,977,100.
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	1,977,100.
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 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,977,100.

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				2,779,690.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010	172,353.			
f Total of lines 3a through e	172,353.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 1,977,100.				
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				1,977,100.
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))	172,353.			172,353.
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				630,237.
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				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 organization 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.

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient 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 Statement 8				
Total				▶ 3a 1,977,100.
b Approved for future payment				
Total				▶ 3b

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization

THE ELKES FOUNDATION

Employer identification number

13-3497016

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

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

Form 990-PF

- 501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

Employer identification number

THE ELKES FOUNDATION

13-3497016

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Estate of Terrence A. Elkes, c/o Davidson Dawson, 60 E 42nd St New York, NY 10165	\$ 2,250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

THE ELKES FOUNDATION

13-3497016

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Davidson Dawson & Clark LLP	\$ 21,093.	\$ 10,547.	\$ 21,093.	
Total	<u>\$ 21,093.</u>	<u>\$ 10,547.</u>	<u>\$ 21,093.</u>	<u>\$ 0.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
J. Bradley, P.C.	\$ 28,985.		\$ 28,985.	
Total	<u>\$ 28,985.</u>	<u>\$ 0.</u>	<u>\$ 28,985.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Consulting Fees-K. Gorman	\$ 195,000.	\$ 195,000.	\$ 195,000.	
Income Research & Management Inc.	42,771.	42,771.	42,771.	
Total	<u>\$ 237,771.</u>	<u>\$ 237,771.</u>	<u>\$ 237,771.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
NYS Filing Fees	\$ 1,500.		\$ 1,500.	
Total	<u>\$ 1,500.</u>	<u>\$ 0.</u>	<u>\$ 1,500.</u>	<u>\$ 0.</u>

THE ELKES FOUNDATION

13-3497016

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Charges	\$ 927.		\$ 927.	
Computer Expenses	3,777.		3,777.	
Dues and Subscriptions	1,504.		1,504.	
Loss fr Tucker Anthony Pvt EqTech Fnd LP	62.		62.	
Loss from Apollo Tennis Ventures Ltd.	2,121.		2,121.	
Loss from Park St Cap Pvt Equity Fund LP	4,288.		4,288.	
Loss from Tucker Anthony Pvt Eq Fund III	1,134.		1,134.	
Loss from Tucker Anthony Pvt Eq Fund LP	909.		909.	
Office Services and Expenses	3,691.		3,691.	
Telephone	7,966.		7,966.	
Total	\$ 26,379.	\$ 0.	\$ 26,379.	\$ 0.

Statement 6
Form 990-PF, Part III, Line 3
Other Increases

Unrealized Appreciation of Securities	\$ 2,761,050.
Total	\$ 2,761,050.

Statement 7
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	Publicly Traded Securities-Short Term	Purchased	Various	Various
2	Publicly Traded Securities-Long Term	Purchased	Various	Various
3	Chilton Global Nat Resources Int Ltd.	Donated	1/18/2008	11/30/2012
4	Tucker Anthony Private Equity Fund LP	Donated	1/18/2008	9/30/2012
5	Tucker Anthony Pvt Equity Tech Fund LP	Donated	1/18/2008	9/30/2012
6	Tucker Anthony Pvt Equity Fund III LP	Donated	1/18/2008	9/30/2012
7	Park St Capital Pvt Equity Fund VIII LP	Donated	1/18/2008	9/30/2012
8	Park St Cap Nat Resources Fund III LP	Purchased	1/18/2008	9/30/2012

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	10402401.		10209556.	192,845.				\$ 192,845.
2	5330216.		4524535.	805,681.				805,681.
3	11,129.		0.	11,129.				11,129.
4	1,525.		0.	1,525.				1,525.
5	0.		603.	-603.				-603.
6	3,852.		0.	3,852.				3,852.

THE ELKES FOUNDATION

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Statement 7 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
7	7,790.		0.	7,790.				\$ 7,790.
8	2,776.		0.	2,776.				2,776.
							Total	\$ 1024995.

Statement 8
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
UCSF DIABETES CENTER 220 MONTGOMERY STREET SAN FRANCISCO, CA 94143			Contributions were made in accordance with the purpose of the Foundation.	\$ 1,000,000.
THE ELEUTHERA INSTITUTE 455 MASSACHUSETTS AVENUE NW 150-144 WASHINGTON, DC 20001				250,000.
ANTI SLAVERY INTERNATIONAL 1320 19TH STREET NW WASHINGTON, DC 20036				100,000.
FRESH YOUTH INITIATIVES 505 WEST 17TH STREET NEW YORK, NY 10032				75,000.
ISKME 323 HARVARD AVENUE HALF MOON BAY, CA 94019				50,000.
PRINCETON IN ASIA 194 NASSAU STREET PRINCETON, NJ 08542				50,000.
GRASSROOTS SOCCER 198 CHURCH STREET NORWICH, VT 05055				33,500.
ILLINOIS COUNCIL ON ECONOMIC EDUCATION NORTHERN ILLINOIS UNIVERSITY DEKALB, IL 60115				25,000.

THE ELKES FOUNDATION

13-3497016

Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
VISITING NURSE SERVICES OF NY 5 PENN PLAZA NEW YORK, NY 10001				\$ 25,000.
DUKE UNIV NICHOLAS SCHOOL OF ENVIRONMENT 324 BLACKWELL STREET DURHAM, NC 27701				25,000.
NATIONAL YIDDISH BOOK CENTER 1021 WEST STREET AMHERST, MA 01002				25,000.
SAN CARLOS EDUCATIONAL FOUNDATION P.O. BOX 1214 SAN CARLOS, CA 94070				25,000.
UNMARKED STREETS 5922 DUNN AVENUE SAN JOSE, CA 95120				25,000.
HJI FOUNDATION BETHESDA, MD				25,000.
INVESTIGATIVE REPORTERS & EDITORS 141 NEFF ANNEX, UMC COLUMBIA, MO 65211				25,000.
WALTER JOHNSON EDUCATION FOUNDATION 6400 ROCK SPRINGS DRIVE BETHESDA, MD 20814				30,000.
MARIAH'S CHALLENGE P.O. BOX 66 BUTTE, MT 59703				25,000.
HARVARD STEM CELL INSTITUTE 1350 MASSACHUSETTS AVENUE CAMBRIDGE, MA 02138				20,000.
UNITED STATES DANCESPORT TEAM 6999 FAIRWAY LAKES DRIVE BOYNTON BEACH, FL 33472				15,000.

THE ELKES FOUNDATION

13-3497016

Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
NEW LONDON BARN PLAYHOUSE P.O. BOX 9 NEW LONDON, NH 03257				\$ 15,000.
STUDENTS FOR THE ADVANCEMENT OF GLOBAL ENTREPRENEURSHIP SAN FRANCISCO, CA				15,000.
CANCER RESEARCH & TREATMENT FUND 500 EAST 77TH STREET NEW YORK, NY 10162				10,000.
GLOBAL RESOURCE FOR CANCER EDUCATION 4616 25TH AVENUE N.E. SEATTLE, WA 98105				10,000.
CORPORATION OF THE FINE ARTS MUSEUM 50 HAGIWARA TEA GARDEN DRIVE SAN FRANCISCO, CA 94118				10,000.
ROBERT F. FLICKINGER MEMORIAL FUND 500 EAST AVENUE ROCHESTER, NY 14607				10,000.
TEMPLE ISRAEL OF NORTHERN WESTCHESTER 280 OLD MAMARONECK ROAD WHITE PLAINS, NY 10605				10,000.
FC WESTCHESTER ELITE WESTCHESTER, NY				10,000.
BRONX WORKS INC. 60 EAST TREMONT AVENUE BRONX, NY 10453				10,000.
CALIFORNIA ACADEMY OF SCIENCES 55 MUSIC CONCOURSE DRIVE SAN FRANCISCO, CA 94118				5,000.
TENANTS TOGETHER 995 MARKET STREET SAN FRANCISCO, CA 94103				5,000.

THE ELKES FOUNDATION

13-3497016

Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
THE FEED FOUNDATION 668 GREENWICH STREET NEW YORK, NY 10014				\$ 5,000.
LIFEBEAT INC. 676A NINTH AVENUE NEW YORK, NY 10036				2,000.
PRINCETON UNIVERSITY PRINCETON, NJ 08540				1,000.
POLARIS PROJECT P.O. BOX 53315 WASHINGTON, DC 20009				5,000.
SAN FRANCISCO MUSEUM OF MODERN ART 151 THIRD STREET SAN FRANCISCO, CA 94103				1,000.
PLANNED PARENTHOOD HUDSON PECONIC 4 SKYLINE DRIVE HAWTHORNE, NY 10532				1,000.
SYMPHONY SPACE INC. 2537 BROADWAY NEW YORK, NY 10025				1,000.
WESTCHESTER BALLET COMPANY 95 CROTON AVENUE OSSINING, NY 10562				1,000.
SWIM ACROSS AMERICA ONE INTERNATIONAL PLACE BOSTON, MA 02110				1,000.
LOVE 146 13700 TAHITI WAY MARINA DEL REY, CA 90292				500.
PURCHASE COLLEGE 735 ANDERSON HILL ROAD PURCHASE, NY 10577				100.

Total \$ 1,977,100.

The Elkes Foundation
Part VII-A, Question 11
FYE 11/30/12

On January 1, 2010, The Elkes Foundation received a bequest of 250 shares of Apollo Tennis Ventures Ltd. These shares represent a 50% ownership interest in Apollo Tennis Ventures Ltd. During the Foundation's fiscal year ended November 30, 2012, there were no transfers made by The Elkes Foundation to Apollo Tennis Ventures Ltd., nor were any distributions made to The Elkes Foundation from Apollo Tennis Ventures Ltd.

The Elkes Foundation
Schedule of Other Information
FYE 11/30/12

Part II

Line 10A - Investments in U.S. and State Government Obligations

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
GNMA Pool		-	
9.5% due 12/15/16	\$ 1,022	\$ 952	\$ 952
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 1,022</u>	<u>\$ 952</u>	<u>\$ 952</u>

Part II

Line 10B - Investments in Corporate Stock

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
50 Delta Fdg. Mgt. Inc.	-	-	-
825 Syra Tech Corp.	1	-	-
16 Trump Ent. Resorts Inc.	-	-	-
15,000 Bank of America Corp.	81,600	-	-
2,619 Life Sync Holdgs. Inc.	11,859	11,859	11,859
7,747 Metabolex Inc.	26,316	26,316	26,316
6,000 General Electric Co.	95,460	126,780	126,780
90,000 CBRE Clarion Global REIT Fund	620,100	802,800	802,800
10,000 Manitowoc Inc.	110,700	-	-
67,500 NFJ Dividend, Int & Pre Strgy	1,100,250	-	-
60,033 Pioneer Floating Rate Trust	753,414	-	-

Part II

Line 10B - Investments in Corporate Stock

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
23,179.055 Vanguard St. Investment Grade Fund	246,162	-	-
6,000 AT&T Inc.	173,880	204,780	204,780
3,000 Abbott Laboratories	163,650	-	-
3,000 Consolidated Edison Inc.	178,260	-	-
6,000 Exelon Corporation	265,860	181,320	181,320
3,000 First Energy Corp.	133,410	127,380	127,380
3,000 Johnson & Johnson	194,160	-	-
3,000 Kimberly Clark Corp.	214,410	257,160	257,160
6,000 Merck & Co. Inc.	160,875	265,800	265,800
6,000 National Grid PLC	296,520	339,840	339,840
3,000 Novartis A.G.	162,360	186,150	186,150
6,000 Paychex Inc.	87,330	195,240	195,240
12,000 Pepco Holdgs. Inc.	178,020	236,880	236,880
6,000 Royal Dutch ADRF	433,140	414,480	414,480
9,000 Verizon Communications	339,570	397,080	397,080
7,000 Vodafone Group	162,900	180,565	180,565
15,000 Anworth Mtg Asset Corp.	94,950	-	-
6,000 Kinder Morgan Energy LP	469,200	-	-
3,000 Suburban Propane Partners LP	139,500	-	-
6,000 Teekay LNG Partners LP	193,140	-	-

Part II

Line 10B - Investments in Corporate Stock

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
Investment in the Tennis Channel Holdings Inc.	4,780,851	4,780,851	4,780,851
Investment in Apollo Tennis Ventures Ltd.	5,102,989	5,100,864	5,100,864
25,000 Alpine Global Premier Fund	436,000	180,000	180,000
25,000 Apollo Senior Floating	973,200	480,750	480,750
70,000 Calamos CV & High Income Fund	805,000	-	-
2,500 CVS Caremark Corp.	97,100	-	-
24,500 Eaton Vance Floating Rate Income Fund	355,985	-	-
19,131 Eaton Vance Ltd. Duration Fund	286,008	324,079	324,079
25,000 Eaton Vance Sr Floating Rate Fund	354,750	-	-
60,000 First Trust High Income Long/Short Fund	946,800	1,074,600	1,074,600
13,814 Gabelli Natural Resources	209,697	-	-
2,500 Johnson & Johnson	161,800	-	-
450 Keycorp	3,281	-	-
2,500 Lynordellbasell N.V.	81,675	-	-
7 Nortel Networks Corp.	-	-	-
4,500 Nuveen Equity Premium Opportunity Fund	51,750	-	-

Part II
Line 10B - Investments in Corporate Stock

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
20,000 Pioneer Div. High Income Trust	379,600	518,250	518,250
10,000 RSC Holdings	121,600	-	-
5,000 USG Corporation	48,950	-	-
6,000 Altria Group Inc.	172,140	-	-
3,000 American Electric Power Co. Inc.	119,040	127,950	127,950
350 Apple Inc.	152,880	204,848	204,848
6,000 Telestra Ltd.	97,388	135,060	135,060
6,000 Unitil Corporation	166,380	154,800	154,800
3,000 Amerigas Partners LP	131,640	-	-
6,000 Energy Transfer Partners	262,560	-	-
6,000 Healthcare REIT Inc.	301,020	353,340	353,340
8,000 IShares S&P US Pfd. Fund	215,640	319,360	319,360
4,500 Magellan Midstream Partners	287,910	-	-
21,000 MFA Financial Inc. REIT	103,200	176,610	176,610
3,000 Nustar Energy LP	164,520	-	-
6,000 Realty Income Corp. REIT	203,160	-	-
6,000 SPDR Barclays Capital High Yield	227,280	243,360	243,360
6,000 Spectra Energy Partners	181,620	178,740	178,740
6,000 BCE Inc.	-	253,800	253,800
6,000 Cliffs Natural Res. Inc.	-	172,500	172,500
9,000 CYS Investments Inc.	-	115,110	115,110

Part II

Line 10B - Investments in Corporate Stock

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
3,000 Intel Corp.	-	58,695	58,695
18,000 Peoples United Finl Inc.	-	219,420	219,420
4,000 Pub Svce Ent Group Inc.	-	120,360	120,360
12,000 Vale SA ADR	-	209,160	209,160
1,000 Apple Inc.	-	585,280	585,280
55,000 Calamos Global Inc. Fund	-	461,450	461,450
85,000 Calamos Strategic Total Return Fund	-	841,500	841,500
100,000 ING Prime Rate Trust	-	625,000	625,000
85,000 Invesco Van Kampen Fund	-	1,066,750	1,066,750
8,104 Western Asset Mortgage	-	216,215	216,215
6,000 American Capital Agency REIT	-	189,300	189,300
15,000 Global X ETF	-	326,100	326,100
10,000 American Capital Agency REIT	-	315,500	315,500
6,000 Proshares Ultra S&P 500	-	355,380	355,380
	<u>\$25,070,411</u>	<u>\$24,439,412</u>	<u>\$24,439,412</u>

Part II

Line 10C - Investments in Corporate Bonds

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
\$35,000 Tenet Healthcare Corp. 6.375% due 12/1/11	35,000	-	-
\$100,000 Montpelier RE Holdings 6.125% due 8/15/13	101,986	-	-
\$100,000 Echostar DBS Corp. 7% due 10/1/13	104,750	-	-
\$150,000 Zions Bancorp 7.75% due 9/23/14	159,189	-	-
\$100,000 Starwood Hotels & Resorts, 7.875% due 10/15/14	111,250	-	-
\$100,000 Morgan Stanley 6% due 4/28/15	97,295	108,953	108,953
\$57,000 Rock-Tenn Co. 9.25% due 3/15/16	60,420	-	-
\$100,000 Prudential Financial Inc. 7.375% due 6/15/19	114,745	127,353	127,353
\$200,000 Bank of America Corp. 7.625% due 6/1/17	195,066	256,124	256,124
\$100,000 Allegheny Technologies 9.375% due 6/1/19	125,130	128,000	128,000
\$20,000 Gannet Co. Inc. 6.375% due 4/1/12	20,150	-	-
\$100,000 Hertz Corp. 7.625% due 6/1/12	101,250	-	-
\$20,000 Tenet Healthcare Corp. 6.5% due 6/1/12	20,050	-	-
\$50,000 Continental Airlines Inc., 8.75% due 12/1/11	50,000	-	-

Part II

Line 10C - Investments in Corporate Bonds

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
\$100,000 Continental Airlines 6.563% due 2/15/12	100,370	-	-
\$65,000 Tenet Healthcare Corp. 6.5% due 6/1/12	65,163	-	-
\$40,000 Dillard Dept. Stores Inc. 7.85% due 10/1/12	41,300	-	-
\$75,000 Tenet Health Corp. 7.375% due 2/1/13	76,688	-	-
\$62,000 Toys R Us 7.875% due 4/15/13	62,388	-	-
\$42,000 Belo (A.H.) Corp. 6.75% due 5/30/13	43,680	-	-
\$25,000 Royal Caribbean Cruises Ltd. 7% due 6/15/13	26,125	25,813	25,813
\$100,000 HCA Inc. 6.75% due 7/15/13	102,000	103,250	103,250
\$50,000 Intl Lease Finance 7.5% due 7/15/13	49,128	51,438	51,438
\$50,000 Montpelier RE Hldgs. 6.125% due 8/15/13	50,993	-	-
\$50,000 Echostar DBS Corp. 7% due 12/1/10	52,375	-	-
\$200,000 Ford Motor Credit Co. LLC 8.7% due 10/1/14	218,636	-	-
\$21,000 Freescale Semiconductor 8.875% due 12/15/14	52,020	21,105	21,105
\$15,000 Meritage Homes Corp. 6.25% due 3/15/15	14,325	-	-

Part II

Line 10C - Investments in Corporate Bonds

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
\$39,000 Odyssey RE Holdings 6.875% due 5/1/15	42,385	43,174	43,174
\$70,000 KB Home 6.25% due 6/15/15	62,300	-	-
\$95,000 Frontier Oil Corp. 8.5% due 9/15/16	99,513	-	-
\$200,000 American Auto & Mfg. Inc. 7.875% due 3/1/17	193,000	-	-
\$300,000 USG Corp. 9.5% due 1/15/18	243,750	334,500	334,500
\$75,000 KB Home 7.25% due 6/15/18	63,000	81,563	81,563
\$40,000 American Capital Strategies 8.85% due 8/1/12	39,550	-	-
\$170,000 Rite Aid Corp. 6.875% due 8/15/13	122,555	173,400	173,400
\$100,000 Regions Financial Corp. 7.75% due 11/10/17	101,250	110,000	110,000
\$100,000 Supervalu Inc. 7.5% due 11/15/14	100,625	95,000	95,000
\$162,000 First Data Corp. 9.875% due 9/24/15	147,015	-	-
\$185,000 Ichan Enterprises 7.75% due 1/15/16	190,781	192,863	192,863
\$169,000 CIT Group Inc. 7% due 5/1/16	167,226	-	-
\$100,000 Dean Foods Co. 7% due 6/1/16	97,000	107,750	107,750

Part II

Line 10C - Investments in Corporate Bonds

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
\$100,000 MGM Mirage Inc. 7.5% due 6/1/16	95,375	106,250	106,250
\$193,000 MGM Mirage Inc. 7.625% due 1/15/17	182,385	204,580	204,580
\$100,000 CIT Group Inc. 7% due 5/1/17	99,000	-	-
\$112,000 Mueller Water Products 7.375% due 6/1/17	98,140	115,640	115,640
\$100,000 KB Home 9.1% due 9/15/17	89,250	115,500	115,500
\$136,000 AES Corp. 8% due 10/15/17	146,200	155,040	155,040
\$100,000 Avis Budget Car Rental LLC, 9.625% due 3/15/18	100,750	111,500	111,500
\$40,000 Penn Va Resource Partners LP, 8.25% due 4/15/18	39,600	41,700	41,700
\$100,000 Standard Pacific Corp. 8.375% due 5/15/18	93,500	115,000	115,000
\$200,000 SLM Corp. 8.45% due 6/15/18	199,396	232,872	232,872
\$200,000 Burger King Corporation 9.875% due 10/15/18	218,250	230,500	230,500
\$80,000 Dean Foods Inc. 9.75% due 12/15/18	84,000	90,400	90,400
\$200,000 Harrahs Operating Co. 10% due 12/15/18	64,000	127,500	127,500
\$100,000 US Steel Corp. 7.375% due 4/1/20	95,125	102,250	102,250

Part II

Line 10C - Investments in Corporate Bonds

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
\$100,000 The Manitowoc Company Inc., 8.5% due 11/1/20	102,000	111,500	111,500
\$151,000 Masco Corp. 7.75% due 8/1/29	49,136	173,631	173,631
\$296,000 SLM Corp. 5.771% due 3/15/17	6,087	-	-
Accrued Interest on Corporate Bonds	128,329	-	-
\$200,000 American Axle 7.875% due 3/1/17	-	207,000	207,000
\$100,000 Merrill Lynch 7.75% due 5/14/38	-	129,539	129,539
\$100,000 NRG Energy Inc. 7.625% due 1/15/18	-	110,500	110,500
\$100,000 Penn Va Corp. 10.375% due 6/15/12	-	105,000	105,000
\$200,000 United Rental 8.375% due 9/15/20	-	220,500	220,500
\$20,000 Freescale Semi 8.875% due 12/26/12	-	20,000	20,000
	<u>\$ 5,811,945</u>	<u>\$ 4,786,688</u>	<u>\$ 4,786,688</u>

Part II

Line 13 - Other Investments

	(a) Beginning of Year <u>Book Value</u>	(b) End of Year <u>Book Value</u>	(c) End of Year <u>Fair Market Value</u>
1,205,918.091 Stone Harbor High Yield Fund	9,932,997	11,552,695	11,552,695
96,754.096 Metropolitan West High Yield Bond Fund	223,531	1,001,405	1,001,405
342,567.388 Vanguard High Yield Corp. Fund	244,298	2,075,958	2,075,958
956,300.77 IR&M Core Bond Fund II LLC	10,644,096	11,596,716	11,596,716
89,178.482 Double Total Return Bond Fund	-	1,012,176	1,012,176
97,061.324 Metropolitan West High Yield Bond Fund	-	1,004,585	1,004,585
144,717.8 Ridgeworth High Income Fund	-	1,028,944	1,028,944
147,403.883 TIAA CREF High Yield Fund	-	1,528,578	1,528,578
	<u>\$21,044,922</u>	<u>\$30,801,057</u>	<u>\$30,801,057</u>