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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

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► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

, 2013, and ending

, 20

Name of foundation MODESTUS BAUER FOUNDATION		A Employer identification number 36-4473692
Number and street (or P.O. box number if mail is not delivered to street address) c/o Robert J. Lawrence, 300 S. Wacker Drive	Room/suite 500	B Telephone number (see instructions) 312-372-1947
City or town, state or province, country, and ZIP or foreign postal code Chicago, Illinois 60606		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 16,928,729	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	392,970	392,970		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	666,742			
	b Gross sales price for all assets on line 6a 2,465,220				
	7 Capital gain net income (from Part IV, line 2)		666,742		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	1,059,712	1,059,712			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	36,000	0		36,000
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	60,781	60,781		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	10,783	2488		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	388	388		388
	24 Total operating and administrative expenses. Add lines 13 through 23	107,952	63,657		36,388
	25 Contributions, gifts, grants paid	839,600			839,600
26 Total expenses and disbursements. Add lines 24 and 25	947,552	63,657		875,988	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	112,160				
b Net investment income (if negative, enter -0-)		996,055			
c Adjusted net income (if negative, enter -0-)					

For Paperwork Reduction Act Notice, see instructions.

Cat No 11289X

Form **990-PF** (2013)

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10

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	187,569	-15,891	-15,891
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)	1,407,425	2,065,694	2,168,626
	b Investments—corporate stock (attach schedule)	5,877,229	5,795,658	10,219,778
	c Investments—corporate bonds (attach schedule)	2,270,380	2,036,876	2,059,361
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	2,319,330	2,291,000	2,496,855	
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	12,061,933	12,173,337	16,928,729	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	12,061,933	12,173,337	
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	12,061,933	12,173,337	
	31 Total liabilities and net assets/fund balances (see instructions)	12,061,933	12,173,337	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	12,061,933
2 Enter amount from Part I, line 27a	2	112,160
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	12,174,093
5 Decreases not included in line 2 (itemize) ▶ basis adjustments	5	756
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,173,337

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Schedule			
b Lodestar Investment Counsel	P	various	2013
c Abrams Capital Partners, LP	P	2002	2013
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b 2,213,645	47,882	1,846,359	415,167
c 251,575		0	251,575
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			415,167
c			251,575
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	666,742
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

☐ Yes ☒ No

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

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 (col. (b) divided by col. (c))
2012	780,223	14,850,570	.052538
2011	753,503	14,523,136	.051883
2010	739,736	14,189,465	.052133
2009	747,086	12,848,517	.058146
2008	767,014	14,601,796	.052529

2 Total of line 1, column (d)	2	267,229
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	.053446
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	16,023,534
5 Multiply line 4 by line 3	5	856,394
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	9,961
7 Add lines 5 and 6	7	866,355
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	875,988

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	9,961
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	9,961
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	9,961
6	Credits/Payments:		
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	7,200
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	7,200
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	2,761
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 2014 estimated tax Refunded	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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the 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.		
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		✓
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.		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
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? If "Yes," attach the statement required by General Instruction T		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Illinois		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	✓	
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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV		✓
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		✓

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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	<input checked="" type="checkbox"/>	
14	The books are in care of ▶ David Reich Telephone no. ▶ 312-372-1947 Located at ▶ 300 S. Wacker Drive, Suite 500, Chicago, IL ZIP+4 ▶ 60606			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2013, 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 <input checked="" type="checkbox"/>

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	<input checked="" type="checkbox"/>
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1c	<input checked="" type="checkbox"/>
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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2013 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 2013.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	<input checked="" type="checkbox"/>
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 2013?	4b	<input checked="" type="checkbox"/>

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☒ N/A**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ NoIf "Yes," attach the statement required by Regulations section 53.4945–5(d). ☒ 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**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Robert J Lawrence 418 Briarwood Place, Highland Park, IL 60035	Dir., Pres. 2 hrs	\$18,000	0	0
Linda N. Lawrence 418 Briarwood Place, Highland Park, IL 60035	Dir, Asst Sec, .25 hrs	0	0	0
Lawrence A. Reich 609 Crofton Avenue S., Highland Park, IL 60035	Dir. VP, 1 hr	\$18,000	0	0
David Reich 833 Timber Hill, Highland Park, IL 60035	Dir, Sec, 1.5 hr	0	0	0

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

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

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

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

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

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.

1 NONE

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

1 NONE

All other program-related investments See instructions

3

Total. Add lines 1 through 3

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	16,267,547
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	16,267,547
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	16,267,547
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	244,013
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	16,023,534
6	Minimum investment return. Enter 5% of line 5	6	801,177

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	801,177
2a	Tax on investment income for 2013 from Part VI, line 5	2a	9,961
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	9,961
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	791,216
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	791,216
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	791,216

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	875,988
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	875,988
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	9961
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	866,027

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				791,216
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			486,476	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2013:				
a From 2008	0			
b From 2009	0			
c From 2010	0			
d From 2011	0			
e From 2012	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ 875,988				
a Applied to 2012, but not more than line 2a			486,476	
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 2013 distributable amount				389,512
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				401,704
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 2008 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2009	0			
b Excess from 2010	0			
c Excess from 2011	0			
d Excess from 2012	0			
e Excess from 2013	0			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling **N/A**

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

	Tax year	Prior 3 years			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see 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 or e-mail address of the person to whom applications should be addressed:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Schedule Attached			General Provisions	839,600
Total			3a	839,600
b <i>Approved for future payment</i> None				
Total			3b	

FORM 990-PF for Year 2013
MODESTUS BAUER FOUNDATION
c/o ROBERT J. LAWRENCE
300 S. Wacker Drive, Suite 500
Chicago, Illinois 60606
36-4473692

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

Investment advisory fees	\$60,781
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SCHEDULE OF TAXES (PART I, LN 18)

Excise taxes	8,293
Foreign investment taxes	<u>2,488</u>
	\$10,781

SCHEDULE OF OTHER EXPENSES (PART I, LN 23)

Misc fees	388
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MODESTUS BAUER FOUNDATION
Schedule of Contributions
2013- Part XV-Line 3a

36-4473692

Recipient	Amount
Alzheimer's Association	\$ 2,000.00
Am Yisrael	3,600.00
American Cancer Society	6,000.00
American Committee For The Weizmann Institute Of Science	10,000.00
American Friends Of Magen David Adom	4,000.00
American Jewish Committee	1,000.00
American Society For The Prevention Of Cruelty To Animals	1,000.00
American Technion Society	6,000.00
Ann & Robert H. Lurie Children's Hospital Of Chicago	5,000.00
Anti-Defamation League Of B'nai Brith	7,500.00
Art Encounter	5,500.00
Autism Speaks, Inc.	30,000.00
Avenues To Independence	3,000.00
Beth Israel Medical Center	2,000.00
Birthright Israel Foundation	2,000.00
Brotherhood For The Fallen	1,000.00
Build, Inc.	2,000.00
Camp Nebagamon Scholarship Fund	2,000.00
Camperships For Nebagamon, Inc.	2,500.00
Cancer Wellness Center	10,000.00
Carol Gollob Foundation For Breast Cancer Research	4,000.00
Chicago End Of Life Care Coalition	3,000.00
Chicago Police Memorial Foundation	3,000.00
Children's Golf Foundation, Inc.	5,000.00
Children's Hosp. Of Chicago Foundation/Children's Research	10,000.00
Coghill Foundation, Inc.	2,000.00
College Bound Opportunities	3,000.00
Community Health	3,000.00
Congregation Shaare Emeth	2,000.00
Council For Jewish Elderly	10,000.00

MODESTUS BAUER FOUNDATION
Schedule of Contributions
2013- Part XV-Line 3a

36-4473692

CURED	1,000.00
Daniel M. Murphy Scholarship Fund	3,000.00
Disabled American Veterans	2,500.00
Disabled Patriot Fund	2,000.00
Doctors Without Borders	5,000.00
Dream Associates	2,000.00
Dysautonomia Foundation	3,000.00
Environmental Defense Fund	2,500.00
Environmental Law & Policy Center	15,000.00
Evans Scholars Foundation	10,000.00
Family Action Network	5,000.00
Family Service	5,000.00
Feed My Starving Children	1,000.00
First Congregational Church Of Riverside	1,000.00
Fisher House Foundation	3,000.00
Friends Of The Boundary Waters	6,500.00
Friends Of The IDF	7,500.00
Glenkirk Foundation	4,000.00
Greater Chicago Food Depository	8,500.00
Hadassah Foundation, Inc.	4,000.00
Highland Park Community Foundation	7,500.00
Highland Park Public Library	5,000.00
Holocaust Memorial Foundation Of Illinois, Inc.	1,000.00
Horizons For Youth	8,000.00
Hubbard Street Dance Company	1,000.00
Israel Cancer Research Fund	12,500.00
Jewish Federation Of Peoria	3,000.00
Jewish Federation Typhoon Haiyan Relief Fund	5,000.00
Jewish United Fund	75,000.00
Jonathan's Landing Cares, Inc.	2,000.00
Jupiter Medical Center Foundation	10,000.00
Lake Forest Open Lands Association	2,500.00
Las Madrinas Guild of Childrens Hospital Central California	5,000.00

MODESTUS BAUER FOUNDATION
Schedule of Contributions
2013- Part XV-Line 3a

36-4473692

Leap Learning Systems	2,000.00
Leukemia Research Foundation	1,000.00
LIFT	25,000.00
Lungevity Foundation	2,500.00
Maltz Jupiter Theatre Inc.	5,000.00
Mayo Foundation	20,000.00
MD Anderson Cancer Center	8,000.00
Melanoma Research Foundation	3,000.00
Memorial Sloan Kettering Cancer Center	10,000.00
Michael Rolfe Pancreatic Cancer Fund	9,000.00
Midwest Palliative And Hospice Care	5,000.00
Myelin Repair Foundation	10,000.00
Naomi Berrie Diabetes Center, Columbia University	3,000.00
National Council Of Jewish Women/Los Angeles	15,000.00
National Multiple Sclerosis Society	16,000.00
North Lawndale College Prep Charter High School	4,000.00
North Lawndale Prep Charter High School	1,500.00
North Shore University Health System Foundation	55,000.00
North Shore Youth Health Services, Inc.	5,000.00
Northern Illinois Food Bank	7,500.00
Northfield Food Pantry	2,000.00
Northlight Theatre, Inc.	5,000.00
Northwestern Memorial Foundation	20,000.00
Northwoods Land Trust	6,500.00
Park District Of Highland Park	6,000.00
Park District Of Highland Park - Strings Benefit Concert	5,000.00
Partners In Health	5,000.00
Pass With Flying Colors	1,000.00
Planned Parenthood/Chicago	30,000.00
Preservation Foundation Of The Lake County Forest Preserves	1,000.00
Ravinia Festival Association	10,000.00
ReadWorks	2,500.00
Ready Readers	1,500.00

MODESTUS BAUER FOUNDATION
Schedule of Contributions
2013- Part XV-Line 3a

36-4473692

Rehabilitation Institute Of Chicago	15,000.00
SEDOL	3,500.00
St Louis Children's Hospital Foundation	1,000.00
St. Louis Arc	3,000.00
Steppenwolf Theatre	2,000.00
Steppenwolf Theatre Company	3,000.00
Streetwise	2,000.00
Student Conservation Association	2,500.00
Sunshine Through Golf Foundation	3,000.00
The Ark	4,300.00
The Art Center	4,000.00
The Brady Center To Prevent Gun Violence	1,000.00
The Chicago Horticultural Society	6,000.00
The Chicago Lighthouse	600.00
The Cleveland Clinic Foundation	20,000.00
The Cove School	3,500.00
The Gabe W. Miller Memorial Foundation	100.00
The Kidney Cancer Association	15,000.00
The Nature Conservancy	7,500.00
The WBEZ Alliance, Inc.	1,000.00
Torah Montessori School	4,000.00
UCAN	500.00
Unitarian Universalist Church Of The Desert	1,000.00
University Of Chicago Cancer Research Foundation	5,000.00
University Of Illinois At Chicago	20,000.00
Window To The World Communications, Inc.	1,000.00
Writers Theatre Inc.	20,000.00
Wydown Middle School	5,000.00
Yale-New Haven Hospital, Inc.	2,000.00
TOTAL	<hr/> \$ 839,600.00

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
CASH & EQUIVALENTS									
	Schwab Treasury Fund		-15,891		-15,891	0.1	0.000	0	0.0
			-15,891		-15,891	0.3	0.000	0	0.0
						0.5		0	0.0
COMMON STOCK									
ENERGY									
5,000	Exxon Mobil Corp	28.85	144,231	101.20	506,000	3.0	2,520	12,600	2.5
3,000	Kinder Morgan Energy Partners L.P.	48.01	144,030	80.66	241,980	1.4	5,440	16,320	6.7
2,200	Royal Dutch Shell PLC	63.04	138,678	75.11	165,242	1.0	3,600	7,920	4.8
1,800	Spons ADR B Schlumberger Ltd.	77.28	139,101	90.11	162,198	1.0	1,600	2,880	1.8
			566,041		1,075,420	6.4		39,720	3.7
UTILITIES									
5,000	Southern Company	31.36	156,779	41.11	205,550	1.2	2,030	10,150	4.9
			156,779		205,550	1.2		10,150	4.9
TELECOMMUNICATIONS									
7,400	Vodafone Group PLC	26.43	195,612	39.31	290,894	1.7	2,957	21,884	7.5
			195,612		290,894	1.7		21,884	7.5
DRUGS AND MEDICAL									
3,000	Abbott Laboratories	21.24	63,726	38.33	114,990	0.7	0.880	2,640	2.3
2,000	Baxter International	67.34	134,671	69.55	139,100	0.8	1,960	3,920	2.8
4,000	Johnson & Johnson	55.88	223,540	91.59	366,360	2.2	2,640	10,560	2.9
3,400	Merck & Co.	41.03	139,514	50.05	170,170	1.0	1,760	5,984	3.5
			561,451		790,620	4.7		23,104	2.9
MANUFACTURING									
1,600	3M Company	77.78	124,441	140.25	224,400	1.3	3,420	5,472	2.4
8,000	General Electric	27.99	223,897	28.03	224,240	1.3	0.880	7,040	3.1

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
3,000	Illinois Tool Works Inc	32.79	98,384	84.08	252,240	1.5	1.680	5,040	2.0
4,500	Johnson Controls	32.30	145,328	51.30	230,850	1.4	0.880	3,960	1.7
			592,050		931,730	5.5		21,512	2.3
INSURANCE									
3,000	Travelers Companies Com	49.45	148,338	90.54	271,620	1.6	2.000	6,000	2.2
			148,338		271,620	1.6		6,000	2.2
CONSUMER PRODUCTS									
3,000	Philip Morris Intl Inc	34.15	102,450	87.13	261,390	1.5	3.760	11,280	4.3
3,500	Procter & Gamble	54.94	192,276	81.41	284,935	1.7	2.406	8,421	3.0
			294,726		546,325	3.2		19,701	3.6
BANKING AND FINANCE									
3,000	American Express	32.05	96,157	90.73	272,190	1.6	0.920	2,760	1.0
4,000	Bank New York Inc Com	34.38	137,505	34.94	139,760	0.8	0.600	2,400	1.7
4,000	Northern Trust Co	49.97	199,889	61.89	247,560	1.5	1.240	4,960	2.0
			433,551		659,510	3.9		10,120	1.5
DISTRIBUTION AND SERVICES									
6,000	Sysco Corp	23.03	138,198	36.10	216,600	1.3	1.160	6,960	3.2
			138,198		216,600	1.3		6,960	3.2
TRANSPORTATION									
2,100	United Parcel Service	66.32	139,281	105.08	220,668	1.3	2.680	5,628	2.6
			139,281		220,668	1.3		5,628	2.6
SERVICES									
3,000	Accenture Ltd Cl A	26.14	78,406	82.22	246,660	1.5	1.860	5,580	2.3
			78,406		246,660	1.5		5,580	2.3

MODESTUS BAUER FOUNDATION
990-PF- 2013, 36-4473692
SCHEDULE OF INVESTMENTS AS OF 12/31/13
PART II, COLUMNS (b) AND (c)
PAGE 2 OF 7

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
RETAIL									
3,000	Kohl's Corp.	54.49	163,468	56.75	170,250	1.0	1,560	4,680	2.7
7,000	Lowes Companies Inc	19.99	139,926	49.55	346,850	2.1	0,720	5,040	1.5
4,000	Wal-Mart Stores Inc	49.62	198,467	78.69	314,760	1.9	1,920	7,680	2.4
			501,861		831,860	4.9		17,400	2.1
ENTERTAINMENT									
5,000	Walt Disney Company	22.44	112,216	76.40	382,000	2.3	0.860	4,300	1.1
			112,216		382,000	2.3		4,300	1.1
TECHNOLOGY									
9,000	Intel	22.15	199,359	25.95	233,595	1.4	0.900	8,100	3.5
10,000	Microsoft Corporation	19.71	197,072	37.41	374,100	2.2	1,120	11,200	3.0
6,000	Oracle Corp	22.75	136,497	38.26	229,560	1.4	0.480	2,880	1.3
			532,928		837,255	5.0		22,180	2.6
FOOD AND BEVERAGE									
7,600	Coca Cola	21.47	163,137	41.31	313,956	1.9	1,220	9,272	3.0
6,000	Nestle S.A. Registered Voting ADR	20.58	123,472	73.42	440,544	2.6	2,034	12,202	2.8
3,000	Pepsico	41.00	123,009	82.94	248,820	1.5	2,270	6,810	2.7
			409,618		1,003,320	5.9		28,284	2.8
	COMMON STOCK Total		4,861,055		8,510,032	50.4		242,523	2.8
CONVERTIBLE PREFERRED									
3,000	United Technologies Mand. CV Pfd. 8/1/15	53.95	161,836	65.47	196,410	1.2	3,750	11,250	5.7
			161,836		196,410	1.2		11,250	5.7
HEDGE FUNDS (UNSUPERVISED)									
55,036	Abrams Capital Partners I, LP (6/30/13)	31.66	2,291,000	42.66	2,496,855	13.9			
			2,291,000		2,496,855	13.9			

MODESTUS BAUER FOUNDATION
990-PF- 2013, 36-4473692
SCHEDULE OF INVESTMENTS AS OF 12/31/13
PART II, COLUMNS (b) AND (c)
PAGE 3 OF 7

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
UNSUPERVISED MUTUAL FUNDS									
11,812.922	Artisan Funds International	14.40	170,074	30.48	360,058	2.1	0.567	6,697	1.9
13,907.492	Tweedy Browne Global Value Fund	16.73	232,624	26.62	370,217	2.2	0.320	4,450	1.2
7,857.084	Wasatch Core Growth Fund	26.41	207,513	55.34	434,811	2.6	0.000	0	0.0
			610,210		1,165,086	6.9		11,147	1.0
UNSUPERVISED EQUITIES AND ETF'S									
3,500	IShares Tr Russell 2000 Value	46.44	162,557	99.50	348,250	2.1	1.762	6,165	1.8
			162,557		348,250	2.1		6,165	1.8
CORPORATE BONDS									
150,000	XTO Energy Inc 4.900% Due 02-01-14	100.29	150,442	100.35	150,525	0.9	4.900	7,350	4.9
150,000	Southern Co 4 150% Due 05-15-14	101.33	151,989	101.33	152,001	0.9	4.150	6,225	4.1
75,000	Yale University CA 2 900% Due 10-15-14	101.03	75,769	101.97	76,480	0.5	2.900	2,175	2.8
125,000	John Hancock Life Ins Corp. NC 5.450% Due 10-15-15	105.86	132,320	105.40	131,745	0.8	5.450	6,812	5.2
150,000	AT&T Inc. 2.400% Due 08-15-16	103.37	155,055	102.83	154,252	0.9	2.400	3,600	2.3
150,000	Berkshire Hathaway Inc. 1.900% Due 01-31-17	102.73	154,090	102.30	153,453	0.9	1.900	2,850	1.9
			819,666		818,956	0.0		29,012	3.5

MODESTUS BAUER FOUNDATION
990-PF- 2013, 36-4473692
SCHEDULE OF INVESTMENTS AS OF 12/31/13
PART II, COLUMNS (b) AND (c)
PAGE 4 OF 7

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
TAXABLE MUNICIPAL BONDS									
100,000	South St. Paul SD #006 GO NC	100.15	100,153	100.21	100,212	0.6	3,250	3,250	3.2
	3.250% Due 02-01-14								
100,000	El Paso, TX Pension GO NC	101.45	101,453	101.98	101,979	0.6	3,610	3,610	3.5
	3.610% Due 08-15-14								
150,000	Du Page County, IL Wheaton SD #200 GO-AGM NC	101.03	151,539	102.51	153,760	0.9	4,400	6,600	4.3
	4.400% Due 10-01-14								
150,000	State of Mississippi NC 1.745% Due 11-01-14	100.33	150,491	101.06	151,590	0.9	1,745	2,617	1.7
100,000	Moraine Valley Community College NC 0.990% Due 12-01-14	100.01	100,007	100.38	100,380	0.6	0,990	990	1.0
100,000	Rosemont, IL GO NC 2.375% Due 12-01-14	100.01	100,005	101.23	101,234	0.6	2,375	2,375	2.3
150,000	Ohio St Infrastructure Rev BAB NC 3.000% Due 06-15-15	100.00	150,006	103.30	154,945	0.9	3,000	4,500	2.9
150,000	Washington St GO NC 3.400% Due 08-01-16	101.83	152,747	105.54	158,311	0.9	3,400	5,100	3.2
100,000	Durham, NC GO NC 2.720% Due 10-01-17	105.56	105,556	103.50	103,499	0.6	2,720	2,720	2.6
100,000	University of Alabama Rev CA 7/1/16 @ 100 5.650% Due 07-01-19	111.44	111,442	108.84	108,838	0.6	5,650	5,650	5.2
			1,223,400		1,237,749	7.4		37,412	3.0

MODESTUS BAUER FOUNDATION
990-PF- 2013, 36-4473692
SCHEDULE OF INVESTMENTS AS OF 12/31/13
PART II, COLUMNS (b) AND (c)
PAGE 5 OF 7

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
GOVERNMENT BONDS/GOVERNMENT AGENCY									
200,000	Federal Home Loan Mortgage Corp CA 10/30/14 @ 100 Step-up 1.250% Due 10-30-18	100.01	200,019	99.51	199,024	1.2	1.250	2,500	1.3
			200,019		199,024	0.0			
						1.2		2,500	1.3
TREASURY SECURITIES INDEXED FOR INFLATION									
600,000	US Treasury Inflation Index 1 625% Due 01-15-18	105.81	634,841	121.17	726,997	4.3	1.625	9,750	1.3
			634,841		726,997	0.0			
						4.3		9,750	1.3
BOND MUTUAL FUNDS (OPEN END)									
43,991.450	Vanguard High Yield Bond Fund - Admiral	5.68	250,075	6.03	265,268	1.6	0.355	15,605	5.9
113,209.103	Virtus Multi-Sector ST Bond Fund	4.86	550,100	4.86	550,196	3.3	0.186	21,050	3.8
			800,175		815,465	4.8		36,654	4.5
BOND MUTUAL FUNDS (CLOSED END) & ETF's									
4,000	Pimco 0-5 Year High Yield Corp Bond Fund	104.26	417,035	106.36	425,440	2.5	4.545	18,180	4.3
			417,035		425,440	2.5		18,180	4.3
FNMA									
1,711.5877	FNMA 15 Yr P/T Pool #576386	99.84	1,709	104.26	1,784	0.0	6.000	103	5.8
1,566.4850	6.000% Due 05-01-16 FNMA 15 Yr P/T Pool #589180	100.56	1,575	102.90	1,612	0.0	6.500	102	6.3
	6.500% Due 06-01-16								

MODESTUS BAUER FOUNDATION
990-PF- 2013, 36-4473692
SCHEDULE OF INVESTMENTS AS OF 12/31/13
PART II, COLUMNS (b) AND (c)
PAGE 6 OF 7

Lodestar Investment Counsel, LLC
PORTFOLIO APPRAISAL
Modestus Bauer Foundation
December 31, 2013

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
830.0202	FNMA P/T Pool #53915 7.000% Due 04-01-31	101.09	839	114.45	950	0.0	7,000	58	6.1
623.2391	FNMA P/T Pool #577462	99.79	622	104.70	653	0.0	6,500	41	6.2
	6.500% Due 04-01-31		4,745		4,999	0.0		303	6.1
FHLMC									
2,726.5800	FHLMC 30 Yr. Gold Pool #C28944	98.59	2,688	104.80	2,857	0.0	7,000	191	6.7
	7.000% Due 07-01-29		2,688		2,857	0.0		191	6.7
TOTAL PORTFOLIO			12,173,337		16,928,729	100.0		405,088	2.4

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-01-03	01-10-13	9,964	Abrams Capital Partners I, LP (6/30/13)	315,473		500,000		184,527
06-29-99	01-15-13	34,1300	FHLMC 30 Yr. Gold Pool #C28944	34	0	34		0
08-12-09	01-23-13	3,000	7 000% Due 07-01-29 AbbVie Inc	69,105		109,762		40,656
06-07-01	01-25-13	21,7100	FNMA P/T Pool #53915	22	0	22		0
05-08-01	01-25-13	395,9100	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	395	0	396		1
03-20-01	01-25-13	2,2900	6 000% Due 05-01-16 FNMA P/T Pool #577462	2	0	2		0
05-31-01	01-25-13	62,9100	6 500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	63	0	63		0
06-04-10	02-01-13	150,000	6 500% Due 06-01-16 General Electric Co. NC	161,252	-11,252	150,000		0
06-29-99	02-15-13	34,3400	5 000% Due 02-01-13 FHLMC 30 Yr. Gold Pool #C28944	34	0	34		0
06-07-01	02-25-13	7 7600	7.000% Due 07-01-29 FNMA P/T Pool #53915	8	0	8		0
05-08-01	02-25-13	81,5700	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	81	0	82		0
03-20-01	02-25-13	2,3000	6.000% Due 05-01-16 FNMA P/T Pool #577462	2	0	2		0
			6.500% Due 04-01-31					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-31-01	02-25-13	65.2600	FNMA 15 Yr P/T Pool #589180	66	0	65	0	0
04-26-11	03-15-13	37,000	6.500% Due 06-01-16 Yale University CA	38,642	-881	38,506	745	0
06-29-99	03-15-13	34 9500	2.900% Due 10-15-14 FHLMC 30 Yr. Gold Pool #C28944	34	0	35	0	0
06-07-01	03-25-13	10.8200	7 000% Due 07-01-29 FNMA P/T Pool #53915	11	0	11	0	0
05-08-01	03-25-13	82.1100	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	82	0	82	0	0
03-20-01	03-25-13	2 3200	6.000% Due 05-01-16 FNMA P/T Pool #577462	2	0	2	0	0
05-31-01	03-25-13	63 6500	6 500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	64	0	64	0	0
06-29-99	04-15-13	34.7700	6.500% Due 06-01-16 FHLMC 30 Yr Gold Pool #C28944	34	0	35	0	0
05-19-08	04-24-13	150,000	7.000% Due 07-01-29 Principal Life Inc. NC	153,207	-3,207	150,000	0	0
06-07-01	04-25-13	11.4700	5.300% Due 04-24-13 FNMA P/T Pool #53915	12	0	11	0	0
05-08-01	04-25-13	82.4600	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	82	0	82	0	0
			6.000% Due 05-01-16					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
03-20-01	04-25-13	2.3300	FNMA P/T Pool #577462 6.500% Due 04-01-31	2	0	2	0	0
05-31-01	04-25-13	66.4700	FNMA 15 Yr P/T Pool #589180	67	0	66	0	0
06-29-99	05-15-13	35.4000	6.500% Due 06-01-16 FHLMC 30 Yr. Gold Pool #C28944	35	0	35	0	0
12-18-08	05-17-13	500	7.000% Due 07-01-29 Illinois Tool Works Inc.	16,721		35,247		18,526
09-23-10	05-17-13	2,000	Lowes Companies Inc	43,200		84,766		41,566
12-18-08	05-17-13	500	Procter & Gamble	30,300		39,826		9,526
06-07-01	05-25-13	12.8000	FNMA P/T Pool #53915 7.000% Due 04-01-31	13	0	13	0	0
05-08-01	05-25-13	82.9000	FNMA 15 Yr P/T Pool #576386	83	0	83	0	0
03-20-01	05-25-13	2.3500	6.000% Due 05-01-16 FNMA P/T Pool #577462	2	0	2	0	0
05-31-01	05-25-13	64.0100	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	64	0	64	0	0
04-26-11	05-31-13	38,000	6.500% Due 06-01-16 Yale University CA	39,687	-1,008	39,498		819
06-29-99	06-15-13	36.0600	2.900% Due 10-15-14 FHLMC 30 Yr Gold Pool #C28944	36	0	36	1	1
06-07-01	06-25-13	7.9400	7.000% Due 07-01-29 FNMA P/T Pool #53915 7.000% Due 04-01-31	8	0	8	0	0

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-08-01	06-25-13	144.1000	FNMA 15 Yr P/T Pool #576386	144	0	144	0	0
			6.000% Due 05-01-16					
03-20-01	06-25-13	2.3600	FNMA P/T Pool #577462	2	0	2	0	0
			6.500% Due 04-01-31					
05-31-01	06-25-13	65.0000	FNMA 15 Yr P/T Pool #589180	65	0	65	0	0
			6.500% Due 06-01-16					
06-29-99	07-15-13	36.7300	FHLMC 30 Yr Gold Pool #C28944	36	0	37	1	1
			7.000% Due 07-01-29					
06-07-01	07-25-13	39.0600	FNMA P/T Pool #53915	39	0	39	0	0
			7.000% Due 04-01-31					
05-08-01	07-25-13	84.1200	FNMA 15 Yr P/T Pool #576386	84	0	84	0	0
			6.000% Due 05-01-16					
03-20-01	07-25-13	2.3700	FNMA P/T Pool #577462	2	0	2	0	0
			6.500% Due 04-01-31					
05-31-01	07-25-13	75.2000	FNMA 15 Yr P/T Pool #589180	76	0	75	0	0
			6.500% Due 06-01-16					
10-11-02	07-26-13	100.000	U S Treasury Bond	128,640	-21,263	118,613	11,237	11,237
			7.250% Due 05-15-16					
06-29-99	08-15-13	36.5100	FHLMC 30 Yr. Gold Pool #C28944	36	0	37	1	1
			7.000% Due 07-01-29					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-12-09	08-16-13	200,000	Howard Hughes Medical Institute NC FC 3/1/10	200,982	-766	206,611		6,395
			3.450% Due 09-01-14					
06-07-01	08-25-13	47.6000	FNMA P/T Pool #53915	48	0	48		-1
			7.000% Due 04-01-31					
05-08-01	08-25-13	84.5700	FNMA 15 Yr P/T Pool #576386	84	0	85		0
			6.000% Due 05-01-16					
03-20-01	08-25-13	2.3900	FNMA P/T Pool #577462	2	0	2		0
			6.500% Due 04-01-31					
05-31-01	08-25-13	50.8100	FNMA 15 Yr P/T Pool #589180	51	0	51		0
			6.500% Due 06-01-16					
06-29-99	09-15-13	37.2100	FHLMC 30 Yr. Gold Pool #C28944	37	0	37		1
			7.000% Due 07-01-29					
06-07-01	09-25-13	29.6300	FNMA P/T Pool #53915	30	0	30		0
			7.000% Due 04-01-31					
05-08-01	09-25-13	85.0200	FNMA 15 Yr P/T Pool #576386	85	0	85		0
			6.000% Due 05-01-16					
03-20-01	09-25-13	2.4000	FNMA P/T Pool #577462	2	0	2		0
			6.500% Due 04-01-31					
05-31-01	09-25-13	54.0400	FNMA 15 Yr P/T Pool #589180	54	0	54		0
			6.500% Due 06-01-16					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
03-07-12	10-01-13	150,000	Verizon New England Callable	159,504	-9,504	150,000	0
06-29-99	10-15-13	36.9600	4 750% Due 10-01-13 FHLMC 30 Yr Gold Pool #C28944	36	0	37	1
06-07-01	10-25-13	36.2400	7.000% Due 07-01-29 FNMA P/T Pool #53915	37	0	36	0
05-08-01	10-25-13	234.6600	7.000% Due 04-01-31 FNMA 15 Yr P/T Pool #576386	234	0	235	0
03-20-01	10-25-13	2.4200	6 000% Due 05-01-16 FNMA P/T Pool #577462	2	0	2	0
05-31-01	10-25-13	51.4100	6.500% Due 04-01-31 FNMA 15 Yr P/T Pool #589180	52	0	51	0
11-28-08	11-11-13	1,000	6 500% Due 06-01-16 iShares Tr Russell 2000 Value	46,445		94,636	48,192
11-25-09	11-14-13	3,000	Exelon Corp.	143,443		83,901	-59,542
08-06-10	11-14-13	1,000	Exelon Corp.	41,869		27,967	-13,902
06-14-12	11-14-13	1,000	Exelon Corp.	37,434		27,967	-9,467
06-29-99	11-15-13	37.6900	FHLMC 30 Yr. Gold Pool #C28944	37	0	38	1
06-07-01	11-25-13	7.0300	7.000% Due 07-01-29 FNMA P/T Pool #53915	7	0	7	0
			7 000% Due 04-01-31				

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-08-01	11-25-13	77 8900	FNMA 15 Yr P/T Pool #576386	78	0	78	0	0
			6.000% Due 05-01-16					
03-20-01	11-25-13	2.4300	FNMA P/T Pool #577462	2	0	2	0	0
			6 500% Due 04-01-31					
05-31-01	11-25-13	51 7000	FNMA 15 Yr P/T Pool #589180	52	0	52	0	0
			6.500% Due 06-01-16					
03-02-11	11-27-13	6,000	Starwood Property Trust	133,988		166,062		32,074
12-28-07	11-27-13	223,008	Wasatch Core Growth Fund	7,741		12,230		4,489
12-28-07	11-27-13	105,316	Wasatch Core Growth Fund	3,656		5,776		2,120
12-24-02	11-27-13	1,495,163	Wasatch Core Growth Fund	39,801		81,995		42,193
06-29-99	12-15-13	37.4200	FHLMC 30 Yr. Gold Pool #C28944	37	0	37		1
			7.000% Due 07-01-29					
12-18-08	12-23-13	500	Illinois Tool Works Inc	16,721		41,282		24,561
03-04-08	12-23-13	200	3M Company	15,614		27,395		11,780
06-07-01	12-25-13	5.6100	FNMA P/T Pool #53915	6	0	6	0	0
			7.000% Due 04-01-31					
05-08-01	12-25-13	78 3100	FNMA 15 Yr P/T Pool #576386	78	0	78	0	0
			6.000% Due 05-01-16					
03-20-01	12-25-13	2.4400	FNMA P/T Pool #577462	2	0	2	0	0
			6.500% Due 04-01-31					

Lodestar Investment Counsel, LLC
REALIZED GAINS AND LOSSES
Modestus Bauer Foundation
From 01-01-13 Through 12-31-13

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-31-01	12-25-13	52.0000	FNMA 15 Yr P/T Pool #589180	52	0	52		0
			6.500% Due 06-01-16					
TOTAL GAINS							0	479,415
TOTAL LOSSES							0	-82,917
TOTAL REALIZED GAIN/LOSS							0	396,498
CAPITAL GAIN DISTRIBUTIONS								
05-06-13			Other Income					14
07-23-13			Other Income					163
12-17-13			Pimco 0-5 Year High Yield Corp Bond Fund					219
12-17-13			Pimco 0-5 Year High Yield Corp Bond Fund				798	
12-27-13			Tweedy Browne Global Value Fund					9,902
12-27-13			Wasatch Core Growth Fund					5,917
12-27-13			Tweedy Browne Global Value Fund				1,657	
TOTAL DISTRIBUTIONS							2,455	16,215
TOTAL GAIN/LOSS							2,455	412,713