

Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation
Exempt from Income Tax**
Under Section 501(c)(3) of the Internal Revenue Code**1974**

For the calendar year 1974, or taxable year beginning 1974 and ending 19

Please type,
print or
attach label.
See instruction
1.

Name of organization

The Kroc Foundation

Address (number and street)

c/o A. H. Doty, 20 North Wacker Drive

City or town, State and ZIP code

Chicago, Illinois 60606Employer identification number
(see instruction 1)**36-6125258**

Date of exemption letter

10/4/65Fair market value of assets at
end of year (see instruction 5)**8,466,576**Foreign organizations check
hereIf exemption application is
pending, check here

Date created (see instruction 1)

4/28/65

Enter the name and address used on your return for 1973 (if the same as above, write "Same"). If none filed, give reason.

Same

The books are in care of

A. H. DotyLocated at **20 N. Wacker Dr., Chicago, Illinois 60606** Telephone No. **312-782-5830**

Enter your principal activity codes from last page of instructions

601 161 162**Part I Analysis of Receipts and Expenditures (See instructions for Part I)**

	(A) Receipts and expenditures per books	(B) Computation of Net Investment Income	(C) Computation of Adjusted Net Income	(D) Disbursements for Exempt Purpose
Receipts				
1 Gross contributions, gifts, grants, etc. (see instructions)				
2 Contributions from split-interest trusts (see instructions)				
3 Gross dues and assessments				
4 Interest	188,714	188,714	188,714	
5 Dividends	134,925	134,925	134,925	
6 Gross rents and royalties				
7 Net gain or (loss) from sale of assets not in line 11	(486,301)			
8 Net capital gain (see instructions)				
9 Net short-term capital gain (see instructions)				
10 Income modifications (see instructions)				
11 Gross profit from any business activities: (Gross receipts \$..... less cost of sales \$..... see instructions)				
12 Other income (attach schedule)	3,227.00		3,227	
13 Total—add lines 1 through 12	159,435	323,639	326,866	
Expenditures				
14 Compensation of officers, etc. (see instructions)	38,300.00	5,000	5,000	33,300
15 Other salaries and wages	47,467.88	11,163	11,163	36,304
16 (a) Pension plan contributions (b) Other employee benefits				
17 Investment, legal and other professional services	22,583	18,004	18,004	4,579
18 Interest				
19 Taxes (see instructions)	4,022	500	500	3,522
20 Depreciation, amortization, and depletion (see instructions)	2,672			
21 Rent				
22 Other expenses (attach schedule)	105,745	3,300	3,300	102,445
23 Contributions, gifts, grants (see instructions)	770,597.00			770,597
24 Total—add lines 14 through 23	991,386	37,967	37,967	950,747
25 Line 13 less line 24: (a) Excess of receipts over expenditures	1,150,821	285,672	288,899	
(b) Net investment income				
(c) Adjusted net income (see instructions)				

Part II Excise Tax On Investment Income

1 Domestic organizations—enter 4% of line 25(b), Part I		11,427
2 Foreign organizations—(a) enter total of lines 4, 5, and 6, col. B, Part I (b) enter 4% of line 2(a)		
3 Credits: (a) Foreign organizations—tax withheld at source (b) tax paid with application for extension of time to file (Form 2758)		
4 Tax Due—line 1 or line 2(b) less line 3		11,427
5 Overpayment—line 3 less line 1 or line 2		
Foreign organization—Enter book value \$ and fair market value \$ of investment assets held in U.S.		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

3/12/75
Date
3/16/75
Date
Signature of officer or trustee
Signature and Emp. Ident. or Soc. Sec. No. of preparer
Doty, Jarow & Co. 36-2591557

20 N. Wacker Dr., Chicago, Ill.
Address of preparer
60606

Part III Balance Sheets

	Beginning of Taxable Year		End of Taxable Year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
Assets				
1 Cash: (a) Savings and interest-bearing accounts	274,729	274,729	66,850	66,850
(b) Other				800
2 Accounts receivable net				
3 Notes receivable net (attach schedule)				
4 Inventories	619,129		359,610	
5 Gov't obligations: (a) U.S. and instrumentalities		619,129		359,610
(b) State, subdivisions thereof, etc.				
6 Investments in nongovernment bonds, etc. (attach schedule)		929,588		859,406
7 Investments in corporate stocks (attach schedule)		8,946,883		9,010,713
8 Mortgage loans (number of loans)		1,400,000		730,000
9 Other investments (attach schedule)				
10 Depreciable (depletable) assets (attach schedule):				
(a) Held for investment purposes				
(b) Less accumulated depreciation				
(c) Held for charitable purposes	19,206		22,202	
(d) Less accumulated depreciation	7,243	11,963	9,915	12,287.00
11 Land: (a) Held for investment purposes				
(b) Held for charitable purposes		51,414		36,871
12 Other assets (attach schedule)		12,233,706		11,076,537.00
13 Total assets				
Liabilities				
14 Accounts payable		4,115		4,220
15 Contributions, gifts, grants, etc. payable				
16 Mortgages and notes payable (attach schedule)		7,654		12,628
17 Other liabilities (attach schedule)		11,769		16,848.00
18 Total liabilities				
Net Worth (Fund Balances)				
19 Principal Fund		13,281,621		12,795,321.00
20 Income Fund		(1,059,684)		(1,735,632)
21 Total Net Worth (Fund Balances)		12,221,937.00		11,059,689.00
22 Total liabilities and Net Worth (line 18 plus line 21)		12,233,706		11,076,537

Analysis of Changes in Net Worth

1 Total net worth at beginning of year—line 21, Column B, Part III	12,221,937
2 Enter amount from line 25(a), Part I	(1,150,821)
3 Other increases not included in line 2 (itemize):	
4 Total of lines 1, 2, and 3	11,071,116
5 Decreases not included in line 2 (itemize):	
Federal Excise Taxes	11,427
6 Total net worth at end of year (line 4 less line 5)—line 21, Column D, Part III	11,059,689

Part V Statements with Respect to Certain Activities

File Form 4720 if question J(2), K(2), or N(2) is answered "No," or question J(3), L(2), or M(1) or (2) is answered "Yes."

A During the taxable year, have you (a) attempted to influence any national, State, or local legislation, or (b) participated or intervened in any political campaign?

If "Yes," attach a detailed description of such activities and copies of any materials published or distributed by the organization in connection with such activities.

B Have you engaged in any activities which have not previously been reported to the Internal Revenue Service? If "Yes," attach a detailed description of such activities.**C** Have any changes not previously reported to the Internal Revenue Service been made in your governing instrument, articles of incorporation, or bylaws, or other instruments of similar import? If "Yes," attach a copy of the changes.**D** Have you filed a tax return on Form 990-T for this year?**E** Was there a substantial contraction during the year?

If "Yes," attach a schedule for the disposition(s) for the year(s) showing type of asset disposed of, the date(s) disposed, the cost or other basis, the fair market value on date of disposition and the names and addresses of the recipients of the assets distributed. (See general instruction Q)

F Did you file the annual report required by section 6056 (see Form 990-AR for instructions)?**G** Are the requirements of section 508(e) (relating to governing instruments) satisfied? (See general instruction R)

If "Yes," have such requirements been satisfied by:

- (1) Language in the governing instrument (original or as amended), or
- (2) Enactment of State legislation effectively amending the governing instrument and the governing instrument contains no mandatory directions which are in conflict with such State legislation

H (1) Enter the names of the States required to be listed by general instruction JIllinois and California

(2) Have you furnished a copy of Form 990-AR (or equivalent report) to the Attorney General of each State as required by general instruction K? If "No," attach explanation.

I Are you claiming status as an operating foundation within the meaning of 4942(j)(3) for calendar year 1974 or fiscal year beginning in 1974? (see instructions for Part XII) If "Yes," complete Part XII.**J** Self-dealing (section 4941):

(1) Have you engaged in any of the following acts during the year either directly or indirectly, with one or more disqualified persons (see instruction B, Part V, for definition)—

(a) Sale, exchange, or leasing of property

(b) Borrowing or lending

(c) Furnishing of goods,

(d) Payment of compensation

(e) Transfer to, or use by

(f) Agreement to make any service if such individual

(2) If any of questions 1(a) through 1(f) are answered "Yes,"

(3) Have you, in a prior year, engaged in any of the acts described in questions 1(a) through 1(f) and that were not corrected in the current year?

K Taxes on failure to distribute as defined in 4942(j)(3):

(1) Did you at the end of taxable year(s) beginning in 1974, have any assets (other than cash, U.S. government securities, or other assets excepted from self-dealing in instructions, and undistributed assets) for tax-valuation purposes? If "Yes," list such assets and their value on the last day of the year.

(2) If "Yes," to (1) above, are you required to pay tax on the value of such assets?

(3) If the provisions of section 4942(j)(3) apply to you, have you paid the tax on the value of such assets?

L Taxes on excess business holdings:

(1) Did you hold more than the permitted amount of any one type of asset at any time during the year?

(2) If "Yes," have you purchased any such asset after May 26, 1969, which results in a tax under section 4943?

M Taxes on investment which jeopardize the carrying out of any of the exempt purposes of the organization:

(1) Did you invest during the year in any such asset?

(2) Did you invest, in a prior year, in any such asset and that was not corrected in the current year?

Exempt Organization Master File Edit Sheet

1	2	3	4	5	6	
2	2	2	2	1	2	+

7	8	9	10	11	12	
2	2	2	2	2	2	+

13	14	15	16	17	18	
	2	2		2		+

19	20	21	22	23	24	
2	2	2	2	2	2	+

25	26	
2		+

Assets (6(c)) other than government securities

excepted from self-dealing in instructions, and undistributed assets

for tax-valuation purposes

list such assets and their value on the last day of the year

section B, Part V

se since subject to

of your

jeopardize the carrying out of any of the exempt purposes of the organization

Statement With Respect to Certain Activities (Continued)**N Taxes on taxable expenditures (section 4945).**

- (1) During the year did you pay, or incur a liability to pay for any of the following—
- (a) To carry on propaganda, or otherwise attempt to influence legislation by attempting to affect the opinion of the general public or any segment thereof or by communicating with any member or employee of a legislative body, or by communicating with any other government official or employee who may participate in the formulation of legislation
 - (b) To influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive
 - (c) As a grant to an individual for travel, study, or other similar purposes by such individual
 - (d) As a grant to an organization, other than a charitable, etc., organization described in paragraph (1), (2), or (3) of section 509(a) of the Code
 - (e) For any purpose other than religious, charitable, scientific, literary or educational purposes or for the prevention of cruelty to children or animals
- (2) If any of questions 1(a) through 1(e) is answered "Yes," were all of such transactions excepted transactions described in section F, Part V of the instructions?
- (3) With respect to part (1)(d) of this question, if you answered "Yes," did you apply the exception in item 13 of section F, Part V of the instructions? If "Yes," attach the statement required for such exception

Yes	No
	X
	X
	X
	X
	X

Statement With Respect to Contributors, Compensation, etc.**A. Persons who Became Substantial Contributors in 1974 (if more space is needed, attach schedule)**

Name	Address

B. Compensation of Officers, Directors and Trustees for 1974

Name and Address	Social security number	Title	Time devoted to position	Compensation
Robert L. Kroc Box 547, Santa Ynez, California		President & Director	Full	38,300
Ray A. Kroc, c/o McDonald's Corp. McDonald's Plaza, Oak Brook, Ill.		Chairman & Director	Nominal	None
A. H. Doty 20 N. Wacker Dr., Chicago, Ill.		Treasurer & Director	Nominal	None
Donald Lubin 69 W. Washington, Chicago, Ill.		Secretary & Director	Nominal	None

Total

C. Compensation of Five Highest Paid Employees for 1974 (Other than included in B above—see instructions)

Name and address of employees paid more than \$30,000	Social security number	Title	Compensation
None			

Total number of other employees paid over \$30,000

(continued)

D. Five Highest Paid Persons for Professional Services for 1974 (See instructions)

Name and address of persons paid more than \$30,000	Type of service	Compensation
None		

Total number of others receiving over \$30,000 for professional services ▶

Capital Gains and Losses for Tax on Investment Income

a. Kind of property. Indicate security, real estate or other (specify)	b. Description (Examples: 100 sh. of "Z" Co., 2 story brick, etc.)	c. How acquired P—Purchase D—Donation	d. Date acquired (mo., day, yr.)	e. Date sold (mo., day, yr.)
Security 10,000 Shares	British Petroleum	P	12-07-73	2-27-74
Security 2,500 Shares	Control Data	P	Various	11-19-74
Security 500,000 Par-Bonds	Federal Nat'l Mtge.	P	11-19-73	12-17-74
Security 200,000 CD	1st Nat'l. Bank, Chgo.	P	5-08-74	7-30-74
Security 7,835 Shares	Fuji Photo Ltd.	P	Various	11-20-74
Security 2,652 Shares	Gen'l Amer Oil	P	Various	Various
Security 1,480 Shares	Tokio Mar & Fire Ins.	P	Various	Various
Security 6,000 Shares	Trane Co.	P	Various	11-15-74
Security 1,887 Shares	Transocean Oil	P	Various	3-14-74
Security 583,000	U.S. Treasury Notes	P	Various	Various

f. Gross sales price	g. Depreciation allowed (or allowable)	h. Cost or other basis and expense of sale	i. Gain or (loss) (f plus g less h)
113,822		150,080	(36,258)
35,937		182,300	(146,363)
505,778		507,187	(1,409)
200,000		199,900	100
70,515		134,321	(63,806)
93,732		123,649	(29,917)
110,950		38,560	72,390
67,397		327,071	(259,674)
22,809		44,908	(22,099)
592,711		591,976	735

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

[illegible]

2 Net capital gain (loss). If gain, also enter on line 8, Part I

(486,301)

3 Net short-term capital gain (loss) as defined in section 1222(5) and (6)

Computation of Distributable Amount for 1974 (See instructions—not applicable to operating foundations)

1 Adjusted net income from line 25(c), Part I	288,890
2 Minimum investment return from line 6 or 7, Part IX	595,971
3 Enter the higher of line 1 or line 2	595,971
4 Enter sum of: (a) Tax on investment income for 1974 from Part II	11,427
(b) Income tax on unrelated business income for 1974 (Form 990-T)	
5 Distributable amount (line 3 less line 4)	584,544
6 Adjustments to distributable amount (see instructions)	-
7 Distributable amount as adjusted (line 5 plus or minus line 6)—also enter on line 1, Part XI	584,544

Minimum Investment Return for 1974 (Operating Foundations—See instructions)

1 Fair market value of assets not used (or held for use) directly in carrying out exempt purposes:	
(a) Monthly average of securities at fair market value	10,861,838
(b) Monthly average of cash balances	89,044
(c) Fair market value of all other assets (see instructions)	49,958
(d) Total (add lines (a), (b), and (c))	11,000,840
2 Acquisition indebtedness applicable to line 1 assets	
3 Line 1(d) less line 2	11,000,840
4 Cash deemed held for charitable activities—enter 1½% of line 3 (for greater amount, see instructions)	165,012
5 Line 3 less line 4	10,835,828
6 (a) Organizations (other than operating foundations) organized after May 26, 1969 enter 6% of line 5	
(b) All operating foundations enter 6% of line 5	
7 Organizations (other than operating foundations) organized before May 27, 1969, enter 5.50% of line 5	595,971

Qualifying Distributions in 1974 (See instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purpose	
(a) Expenses, contributions, gifts, etc.—total from line 24, column (D), Part I	950,747
(b) Program related investments (see instructions)	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	
3 Amounts set aside for specific projects which are for charitable, etc., purposes	
4 Total qualifying distributions made in 1974 (add lines 1, 2, and 3)	950,747

5 Special Instructions for Private Foundations filing Final Returns ONLY. If your remaining assets were distributed to one or more of the following types of organizations please show the type(s) of organization(s) by checking the appropriate box(es):

- (a) ☐ A church. Section 170(b)(1)(A)(i).
 (b) ☐ A school. Section 170(b)(1)(A)(ii).
 (c) ☐ A hospital. Section 170(b)(1)(A)(iii).
 (d) ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii).
 (e) ☐ An organization operated for the benefit of a college or university owned or operated by a Government unit. Section 170(b)(1)(A)(iv).
 (f) ☐ A Governmental unit. Section 170(b)(1)(A)(v).
 (g) ☐ An organization that normally receives a substantial part of its support from a Governmental unit or from the general public. Section 170(b)(1)(A)(vi).

Computation of Undistributed Income (See instructions)

	Corpus	Years Prior to 1973	1973	1974
1 Distributable amount for 1974 from Part VIII				584,544
2 Undistributed income, if any, as of the end of 1973:				
(a) Enter total for 1973				
(b) For prior years:				
3 Excess distribution carryover, if any, to 1974:				
(a) From 1970				
(b) From 1971	13,516			
(c) From 1972				
(d) From 1973	48,422			
(e) Total of 3(a) through (d)	61,938			
4 Qualifying distributions for 1974 (950,747)				
(a) Applied to 1973 (not in excess of 2(a))			()	
(b) Applied to undistributed income of prior years (Election required)		()		
(c) Treated as distributions out of corpus (Election required)				
(d) Applied to 1974 distributable amount				(584,544)
(e) Remaining amount distributed out of corpus	366,203			
5 Excess distributions carryover applied to 1974 (If an amount appears in the 1974 column the same amount must be shown in the corpus column of line 5)	()			()
6 Enter the net total of each column as indicated below:				
(a) Corpus. Lines 3(e), 4(c) and 4(e) less line 5	428,141			
(b) Prior years undistributed income. Line 2(b) less line 4(b). This amount is taxable—File Form 4720				
(c) Undistributed income for 1973. Line 2(a) less line 4(a). This amount is taxable—File Form 4720				
(d) Undistributed income for 1974. Line 1 less lines 4(d) and 5. This amount must be distributed in 1975				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by Code Sections 170(b)(1)(E) or 4942(g)(3) Pass through distributions (See instructions)	()			
8 Excess distributions carried forward. (Line 6(a) less line 7)	428,141			
9 Analysis of line 8:				
(a) Excess from 1970				
(b) Excess from 1971	13,516			
(c) Excess from 1972				
(d) Excess from 1973	48,422			
(e) Excess from 1974	366,203			

The Kroc Foundation - Employer I.D. No. 36-6125258
Form 990-PF
Year Ended December 31, 1974

Part I - Line 12 - Other Income

Book sales	\$ 3,227
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Part I - Line 19 - Taxes

	<u>(A)</u>	<u>(B)&(C)</u>	<u>(D)</u>
Payroll	\$ 3,695	\$ 500	\$ 3,195
Personal property	322	-	322
Franchise	5	-	5
	<u>\$ 4,022</u>	<u>\$ 500</u>	<u>\$ 3,522</u>

Part I - Line 22 - Other Expenses

	<u>(A)</u>	<u>(B)&(C)</u>	<u>(D)</u>
Auto expense	\$ 917	\$ -	\$ 917
Dues and subscriptions	2,354	-	2,354
Conference expense	48,034	-	48,034
Office expense	4,731	1,000	3,731
Publications	7,316	-	7,316
Insurance	2,042	-	2,042
Telephone and utilities	7,274	700	6,574
Travel	13,910	1,600	12,310
Library expense	1,045	-	1,045
Maintenance and repairs	4,212	-	4,212
Donations	1,362	-	1,362
Miscellaneous	12,548	-	12,548
	<u>\$ 105,745</u>	<u>\$ 3,300</u>	<u>\$ 102,445</u>

The Kroc Foundation - Employer I.D. No. 36-6125258
Form 990-PF
Year Ended December 31, 1974

Line 12 - Page 2 - Other Assets

	<u>Taxable Year</u>	
	<u>Beginning</u>	<u>Ending</u>
Accrued interest	\$ 46,712	\$ 30,047
Accrued dividends	4,702	6,824
	<u>\$ 51,414</u>	<u>\$ 36,871</u>

Line 17 - Page 2 - Other Liabilities

Federal excise tax payable	\$ 6,468	\$ 11,427
Accrued payroll taxes	1,186	1,190
Sales tax payable	-	11
	<u>\$ 7,654</u>	<u>\$ 12,628</u>

The Kroc Foundation Employer I.D. No. 36-6125258
Form 990-PF
Year Ended December 31, 1974

Part III - Lines 5, 6, and 9

<u>Name of Security</u>	<u>No. of Shares or Par Value</u>	<u>At Cost</u>	<u>At Fair Market Value</u>
<u>Bonds</u>			
Chase Manhattan Corp. 6-1/2% due 7/1/96	250,000	\$ 266,500	\$ 175,000
Commonwealth Edison 8% due 10/1/75	100,000	99,000	100,000
Federal Land Banks 7.15% due 7/23/79	500,000	493,906	490,000
		<u>\$ 859,406</u>	<u>\$ 765,000</u>
<u>Certificates of Deposit</u>			
First National Bank of Chicago			
9.20% due 3/11/75	200,000	\$ 200,000	\$ 200,000
9.25% due 3/25/75	200,000	200,000	200,000
9.05% due 5/1/75	200,000	200,000	200,000
Northern Trust Company 9.625% due 3/18/75	130,000	130,000	130,000
		<u>\$ 730,000</u>	<u>\$ 730,000</u>
<u>United States Treasury Notes</u>			
Due August 15, 1975	366,000	\$ 359,610	\$ 362,340
Total securities held		<u>\$ 10,959,729</u>	<u>\$ 8,349,768</u>

Part III - Line 7

<u>Name of Security</u>	<u>No. of Shares or Par Value</u>	<u>At Cost</u>	<u>At Fair Market Value</u>
Allied Chemical Corporation	6,000	\$ 241,566	\$ 168,000
Amerada Hess	3,000	199,246	126,000
Boston Dickinson	5,000	191,906	135,000
Blue Bell Incorporated	8,000	279,966	96,000
Burroughs Company	2,000	207,892	150,000
Citicorp	6,000	100,400	168,000
Continental Oil	6,000	194,676	270,000
Corning Glass	2,050	180,275	61,500
Donaldson Company	7,000	166,350	77,000
Dun & Bradstreet	6,000	118,284	114,000
Eastman Kodak	2,000	186,981	126,000
ERC Corp.	4,000	165,750	64,000
Florida Power & Light	6,000	194,283	90,000
Hewlett Packard	2,000	68,727	120,000
IBM	1,500	389,155	252,000
Marathon Oil Company	5,000	213,894	175,000
McDonalds	100,000	3,756,667	2,937,500
Merck & Co.	1,500	68,726	99,000
Norton Simon Incorporated	12,175	295,142	136,719
Rank Organization	22,000	188,600	44,000
St. Paul Companies	5,000	133,375	140,000
Squibb Corporation	1,500	158,200	87,000
Stein Roe Farnham Fund	2,110	128,483	76,209
Tektronix	4,000	147,251	76,000
Times Mirror	10,000	233,460	100,000
Union Oil of California	4,000	178,185	160,000
Utah International	4,000	85,689	155,000
Western Bancorporation	10,000	287,017	160,000
Xerox	2,500	250,567	127,500
		<u>\$ 9,010,713</u>	<u>\$ 6,492,428</u>

Depreciation

▶ See instructions.

▶ **Attach this form to your return.**

1974

Name(s) as shown on return

The Kroc Foundation

Identifying number

36-6125258

Use this form as an attachment to an individual, partnership, fiduciary, or corporation return. Include totals from line 5, below, on the corresponding lines of the regular depreciation schedule.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

[illegible]

Include these totals on the corresponding lines of your regular depreciation schedule. (For example: If depreciation applies to Schedule F (Form 1040), include the totals on Schedule F, line 59.)

Instructions

Note: Instructions for Class Life (ADR) System and Guideline Class Life System are contained in separate instructions for Form 4532 (Class Life (ADR) System) and on Form 5006 (Guideline Class Life System). Also see Publication 534, Tax Information on Depreciation.

Reasonable Allowance.—You may deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or held for the production of income. The allowance is not allowed for stock in trade, inventories, land, and personal assets.

Charge off the cost (or other basis) to be recovered over the expected useful life.

of the property. Depreciation begins when the asset is placed in service and ends when it is retired from service.

In computing the depreciation basis for personal property other than livestock, you need not take into account salvage value that does not exceed 10 percent of the property cost or other basis. If the salvage value exceeds 10 percent, take only the excess into account. These provisions apply to property with a useful life of three or more years.

Depreciation Methods.--The various methods of depreciation you may use under section 167(b) are:

Straight Line Method — Determine the depreciation for each year by dividing the

cost or other basis of the property by its remaining useful life. Adjust the cost or other basis by depreciation allowed or allowable in prior years and applicable salvage value.

Declining Balance Method.—Apply a uniform rate each year to the remaining cost or other basis of property, determined at the beginning of the year. Do not adjust for salvage value, but stop depreciation when the unrecovered cost is reduced to salvage value. The depreciation rate for used property under this method may not exceed $1\frac{1}{2}$ times the applicable straight line rate. Note: See "Limitation on Accelerated Depreciation for Used Section 1250 (Real) Property."

(Continued on back)

Special Rules for New Assets.—You may depreciate the cost or other basis of a new asset under any of the following methods, provided (a) the asset is tangible, (b) it has an estimated useful life to you of three or more years, and (c) its original use commenced with you. Note: See "Limitation on Accelerated Depreciation for New Section 1250 (Real) Property."

(1) **Declining balance method.**—Use this method with a rate not in excess of twice the applicable straight line rate.

(2) **Sum of the years-digits method.**—Compute the deduction for each year by multiplying the property's cost or other basis (reduced by estimated salvage value) by the number of years of useful life remaining (including this year), and dividing the product by the sum of all the digits corresponding to the years of estimated useful life of the asset. For a 5-year life, this sum would be $15 (5 + 4 + 3 + 2 + 1)$. For the first year five-fifteenths of the cost reduced by estimated salvage value would be allowable; for the second year, four-fifteenths, etc.

(3) **Other methods.**—You may use any consistent method which does not result at the end of any year in accumulated allowances greater than the total of the accumulated allowances which would have resulted from use of the 200 percent declining balance method. This limitation applies only during the first two-thirds of the property's useful life.

Change in Method.—If you wish to change your depreciation computation method, the tax treatment of salvage recoveries on sale, exchange, or other disposition of business property, or the tax treatment of additions or retirements from multiple asset accounts, file Form 3115 with the Service Center where you will file your return. You must file within the first 180 days of the taxable year to which the change relates.

Additional First-Year Depreciation.—In the year assets are first subject to depreciation, you may elect to write off 20 percent of their cost (before adjustment for salvage value) if they are tangible personal property (equipment, machinery, etc.) acquired by purchase for use in a trade or business or held for the production of income. If the total cost of these assets exceeds \$10,000 (\$20,000 for joint return), the additional depreciation is limited to \$2,000 (\$4,000 for joint return).

The additional depreciation is limited to property with a remaining useful life of six or more years which was not acquired from a person (other than a brother or sister) whose relationship to you would result in the disallowance of losses. You may also take normal depreciation on the cost of the asset reduced by the first-year depreciation.

Enter the total additional first-year depreciation for the year on the line provided in the depreciation schedule. Do not include it on the line used to show the regular depreciation of an asset.

Limitation on Accelerated Depreciation for New Section 1250 (Real) Property.—You may not use the double declining

balance and sum-of-the-years-digits methods except for new residential rental property from which at least 80 percent of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150 percent declining balance method.

Limitation on Accelerated Depreciation for Used Section 1250 (Real) Property.—You may depreciate used residential rental property with a useful life of 20 years or more under the 125 percent declining balance method. Other used real property must be depreciated under the straight line method.

Rehabilitation Expenditures for Low-Income Rental Housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value, instead of any other depreciation computation method. If this election is for property held by a partnership, the partnership must make the election. (The term "low-income rental housing" means any building whose dwelling units are for rental occupancy by low or moderate income families and individuals, as determined by the Secretary or his delegate, consistent with policies of the Housing and Urban Development Act of 1968.)

Limitations.—The expenditures: (1) must not exceed \$15,000 per dwelling unit in the building, and (2) must exceed \$3,000 per unit over two consecutive taxable years. This rapid writeoff does not apply to motels, hotels, or other establishments in which more than half the units are rented on a transient basis.

Time and Manner of Making Election.—To make an election under section 167(k), attach a statement to the income tax return filed for the first taxable year in which you compute the depreciation deduction using a 60-month useful life. In general, you must file this election no later than the time prescribed by law (including extensions) for filing for the taxable year in which the property is placed in service (see I.T. Regs. § 1.167(k)-4).

Attach an information statement to the income tax return for each subsequent taxable year in which you compute depreciation under section 167(k).

Information Required for Election Year.—

- (1) Your name, address, and identification number.
- (2) Description of property for which an election is made, and the date the property was placed in service.
- (3) Location and description of building being rehabilitated.
- (4) Number of dwelling units in the structure, and number used on a transient basis (see I.T. Regs. § 1.167(k)-3(c)(2)).
- (5) Date rehabilitation expenditures are incurred (see I.T. Regs. § 1.167(k)-1(a)(2)).

(6) Statement that all income certifications required by I.T. Regs. § 1.167(k)-3(b)(4) have been obtained.

(7) For each dwelling unit which you seek to qualify as low-income housing for election purposes under section 167(k):

(a) Rehabilitation expenditures allocated to that unit (see I.T. Regs. § 1.167(k)-2(d)),

(b) For each period of occupancy during the taxable year, the number of occupants, the maximum income level permissible under I.T. Regs. § 1.167(k)-3(b)(2) for them, their adjusted income (determined solely from the income certifications required by I.T. Regs. § 1.167(k)-3(b)(4)), and the rent charged for that unit, and

(c) For each period in which the unit is vacant during the taxable year, a description of each as to number of rooms, the low or moderate income level in that area for the number of persons occupying comparable units, and the rental at which each vacant unit is offered.

(8) If allocation is required under I.T. Regs. § 1.167(k)-2(d), the area occupied by dwelling units and nondwelling units.

(9) If applicable, a statement of intent to fulfill the \$3,000 minimum amount limitation (see I.T. Regs. § 1.167(k)-4(a)(2)).

(10) If you are treated as having paid or incurred expenditures by reason of I.T. Regs. § 1.167(k)-1(b), the amount of those expenditures, the date they were incurred, the date the property attributable to the expenditures was placed in service, the accounting method used by the person who made the expenditures, and the purchase price of the property attributable to them.

Information Required for Subsequent Years.—For each taxable year in which you compute depreciation under section 167(k) after the taxable year of the election, the statement required by this section must state the rental charge for each occupied unit and at which each vacant unit is offered. In addition, if any such unit is rented to a new tenant during the taxable year, the statement must contain the following information:

(1) A statement that the tenant has signed an income certification (see I.T. Regs. § 1.167(k)-3(b)(4)),

(2) The number of occupants in the unit, the maximum income level permissible under I.T. Regs. § 1.167(k)-3(b)(2) for that number of occupants, and the total adjusted income of the occupants, determined solely from the income certifications required by I.T. Regs. § 1.167(k)-3(b)(4).

Definitions.—See section 167(k) and I.T. Regs. § 1.167(k)-3 for definitions of rehabilitation expenditures, low-income rental housing, dwelling unit, low or moderate income, and adjusted income.

1974

Annual Report of Private Foundation

THE KROC FOUNDATION

Name

Under Section 6056 of the Internal Revenue Code

In addition to this Annual Report,
the annual return of the Foundation
filed on Form 990-PF is available for
public inspection. Consult an
Internal Revenue Service office for
further information.

**Department
of the
Treasury
Internal
Revenue
Service**

Annual report for calendar year 1974, or fiscal year beginning

1974, and ending

19

Name of organization

Employer identification number

The Kroc Foundation**36-6125258**

Address of principal office

c/o A. H. Doty, 20 North Wacker Drive, Chicago, Illinois 60606

If books and records are not at above address, specify where they are kept

Name of principal officer of foundation

Robert Kroc

Public inspection (See instruction C):

(a) Enter date the notice of availability of annual report appeared in newspaper

(b) Enter name of newspaper

(c) Check ☐ if you have attached a copy of the newspaper notice as required by instruction "C." (If the notice is not attached, the report will be considered incomplete.)**Revenues**

1 Amount of gifts, grants, bequests, and contributions received for the year

2 Gross income for the year

3 Total

(159,435)**Disbursements and Expenses**

4 Disbursements for the year for the purposes for which exempt (including administrative expenses)

950,747

5 Expenses attributable to gross income (item 2 above) for the year

49,394**Foundation Managers**

6 List all managers of the foundation (see section 4946(b) IRC):

Address where manager may be contacted
during normal business hours**Robert L. Kroc, President****Box 547
Santa Ynez, California 93460****Ray A. Kroc, Chairman of the
Board****c/o McDonald Corp., McDonald's Plaza,
Oak Brook, Illinois 60521****A. H. Doty, Vice-President &
Treasurer****20 North Wacker Drive, Suite 2720,
Chicago, Illinois 60606****Donald G. Lubin, Secretary****69 West Washington Street
Chicago, Illinois 60602**

6a List here any managers of the foundation (see section 4946(b) IRC) who have contributed 2 percent of the total contributions received by the foundation before the close of any taxable year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

Ray A. Kroc

6b List here any managers of the foundation (see section 4946(b) IRC) who own 10 percent 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 percent or greater interest.

None

FO.6 102

Balance Sheet Per Books at the Beginning of the Year

Assets		Liabilities	
Cash	274,729	Accounts payable	4,115
Accounts and notes receivable		Contributions, gifts, grants, etc. payable	
Inventories		Bonds and notes payable	
Securities	619,129	Mortgages payable	
Government obligations		Other liabilities	7,654
Corporate bonds	929,588	Total liabilities	11,769
Corporate stocks	8,946,883	Net Worth	
Mortgage loans		Principal fund	13,281,621
Real estate		Income fund	(1,059,684)
Less: Depreciation		Total net worth	12,221,937
Other assets	1,470,620	Total liabilities and net worth	12,233,706
Less: Depreciation	7,243		
Total assets	12,233,706		

Itemized Statement of Securities and All Other Assets Held at the Close of the Taxable Year

Asset	book value	Market value
Cash	66,850	66,850
Receivables	37,671	37,671
Fixed Assets - Net	12,287	12,287
Securities (Schedule attached)	10,959,729	8,349,768
Total	11,076,537	8,466,576

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Concise statement of purpose of grant or contribution	Amount
Name and address (home or business)			
Paid during year			
Schedule Attached			
Total			770597
Approved for future payment			
Total			

A notice has been published that this Annual Report is available for public inspection at the principal offices of the foundation, and copies of this Annual Report have been furnished to the Attorney of each State to receive reports as required by instruction "F."

5/7/75 Date
Signature of foundation manager
5/6/75 Date
Signature of individual or firm preparing the report
Doty, Jarow & Co.
20 N. Wacker Dr. 36-2591557
Preparer's address Emp. ident. or Soc. Sec. No.
Chicago, Illinois 60606

Instructions

A. Annual Report.—An annual report is required from the foundation managers (as defined in section 4946(b)) of every organization which is a private foundation, including a trust described in section 4947(a)(1) which is treated as a private foundation, having at least \$5,000 of assets at any time during a taxable year. A private foundation may use this form for its annual reporting requirements.

If you prefer not to use this form, you may prepare the report in printed, typewritten or any other form you choose, provided it readily and legibly discloses the information required by section 6056 and the regulations thereunder.

The annual report is in addition to and not in lieu of submitting the information required on Form 990-PF under section 6033.

B. Where and When to File.—The annual report must be filed at the time and place specified for filing Form 990-PF.

C. Public Inspection of Private Foundation's Annual Reports.—As a foundation manager, you must make the annual report required by section 6056 available at the principal office of the foundation for inspection during regular business hours by any citizen who so requests within 180 days after publication of notice of its availability; or, if you choose, you may furnish a copy free of charge to such persons requesting inspection, provided these persons do so at the time and manner prescribed in section 6104(d) and the regulations thereunder.

The notice must be published not later than the day prescribed for filing the annual report (determined with regard to any extensions of time for filing), in a newspaper having general circulation in the county in which the principal office of the private foundation is located. The notice must state that the annual report of the private foundation is available at its principal office during regular business hours for inspection by any citizen who so requests within 180 days after the date of the

publication. It must also show the address of the private foundation's principal office and the name of its principal manager. A private foundation may designate in addition to its principal office, or (if the foundation has no principal office or none other than the residence of a substantial contributor or foundation manager) instead of such office, any other location where its annual report is available.

The term "newspaper having general circulation" shall include any newspaper or journal which is permitted to publish statements in satisfaction of State statutory requirements relating to transfer of title to real estate or other similar legal notices.

A copy of the notice must be attached to the annual report filed with the Internal Revenue Service.

A private foundation which has terminated its status as such under section 507(b)(1)(A), by distributing all its net assets to one or more public charities without retaining any right, title or interest in such assets, does not have to publish notice of availability of its annual report or furnish such report to the public for the taxable year in which it so terminates (Reg. 1.507-2(a)(6)).

D. Signature and Verification.—The report must be signed by the foundation manager.

E. List of States.—A private foundation is required to attach to its Form 990-PF a list of all States

(a) to which the organization reports in any fashion concerning its organization, assets, or activities, and

(b) with which the organization has registered (or which it has otherwise notified in any manner) that it intends to be, or is a charitable organization or that it is, or intends to be, a holder of property devoted to a charitable purpose.

F. Furnishing of Copies to State Officers: Listing of States.—The foundation managers must furnish a copy of the annual report (required by section 6056) to the Attorney Gen-

eral of (1) each State listed for Form 990-PF above, (2) the State in which the principal office of the foundation is located, and (3) the State in which the foundation was incorporated or organized. Such report must be furnished at the same time it is sent to the Internal Revenue Service. In addition, the foundation managers shall provide upon request a copy of the annual report to the Attorney General or other appropriate State officer of any other State. The foundation manager shall also attach to the report a copy of the Form 990-PF (or Schedule PF (Form 1041) for a 4947(a)(1) trust, and a copy of the Form 4720 (if any) filed by the foundation with the Internal Revenue Service for the year.

G. Penalty for Failure to File Report and Notice on Time.—If a private foundation fails to file the annual report on or before the due date, or to comply with the requirements under "C" above, there will be imposed on the person (anyone under a duty to perform the act), a \$10 penalty for each day during which the failure continues, not to exceed \$5,000. (See section 6652(d)(3).) If more than one person is liable, all such persons shall be jointly and severally liable with respect to such failure. Organizations that have given notice under section 508(b) as to their status and have not received a letter from the Internal Revenue Service containing a determination as to such status—refer to Revenue Procedure 72-31, 1972-1 CB 759, or later revisions, for rules relating to relief from the penalty provision of Section 6652. If the failure to file the annual report or comply with "C" is willful, there will be imposed in addition to the amount mentioned above, a penalty of \$1,000 for each such report or notice. (See section 6685.)

H. Foreign Organizations.—A foreign organization which has received substantially all of its support (other than gross investment income) from sources outside the United States will not be subject to the requirements of instructions "C" and "F" above.

United States District Court, Southern District of Illinois, Chicago, Illinois, do hereby certify that the 1975 annual report of each of the following private foundations is available at the indicated principal office of each organization during regular business hours upon request by any citizen within 100 days after the date of this publication.

ROSEN AND RUTH BLOCH FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Ruth H. Bloch
President and Principal Manager

LEONARD FUND
693 Sheridan Road
Highland Park, Illinois 60035
Robert I. Logan
President and Principal Manager

B & J ASSOCIATION, INC.
100 North State Street, Room 500
Chicago, Illinois
Attention: Elmer C. Upton
Joe B. Kelly
President and Principal Manager

BOWELL NEIGHBORHOOD HOUSE FOUNDATION, INC.
100 North State Street, Room 500
Chicago, Illinois
Attention: Elmer C. Upton
William Spitzer
President and Principal Manager

B. AND T. ASSOCIATION, INC.
100 North State Street, Room 500
Chicago, Illinois
Attention: Elmer C. Upton
Judith B. Quinn
Vice President and Principal Manager

SHILLING FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Bernard Shilling
President and Principal Manager

CHARLES RATINOVSKY FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Charles Ratinovsky
President and Principal Manager

LOTTIE NATH FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Bernard Nath
President and Principal Manager

LEON CL. AND JOSEPHINE WINKELMAN FOUNDATION
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Josephine R. Winkelman
President and Principal Manager

CARLIN FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Leo J. Carlin
President and Principal Manager

HOLZHEIMER FUND
134 South LaSalle Street, Room 615
Chicago, Illinois 60603
Carl Holzheimer
President and Principal Manager

A. P. FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Abraham Fishman
President and Principal Manager

FANNY R. AND GEORGE L. SIMMONDS FOUNDATION
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Fanny R. Simmonds
President and Principal Manager

JEROME S. WEISS FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Jerome S. Weiss
President and Principal Manager

MILSON FOUNDATION
c/o I. K. Meyerhoff
130 South LaSalle Street
Room 910
Chicago, Illinois 60603
Ruth Meyerhoff
Principal Manager

I. & R. MEYERHOFF FUND
130 South LaSalle Street
Room 910
Chicago, Illinois 60603
Irving E. Meyerhoff
Principal Manager

DANIEL FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Samuel H. Rosenthal
President and Principal Manager

VS.

LAW BULLETIN PUBLISHING CO.
does hereby certify that it is the publisher of the
CHICAGO DAILY LAW BULLETIN

That said **CHICAGO DAILY LAW BULLETIN** is a secular newspaper and has been published daily in the City of Chicago, County of Cook and State of Illinois, continuously for more than one year prior to the first publication of the notice appended, and is of general circulation throughout said County and State, and that it is a newspaper as defined in "an Act to revise the law in relation to notices" as amended by Act approved July 17, 1959 — Ill. Revised Statutes, Chap. 100, Paragraphs 1 & 5.

That the notice appended was published in the said **CHICAGO DAILY**

LAW BULLETIN on

April 18th, 1975

IN WITNESS WHEREOF, the undersigned has caused this certificate to be signed and its corporate seal affixed at Chicago, Illinois, this
18th, day of April 1975 AEX-1672X

LAW BULLETIN PUBLISHING CO.

By _____, Asst. Secretary

(Publication Fee, \$ _____)

HOWARD & HARRIET WOLFSON FOUNDATION
c/o Bernard Nath
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Harriet Wolfson
President and Principal Manager

MORRIS NOZETTE FAMILY FOUNDATION
c/o Morris Nozette
2605 W. Farnell Avenue
Chicago, Illinois
Morris Nozette
President and Principal Manager

THE KROC FOUNDATION
Twenty North Wacker Drive
Room 2720
Chicago, Illinois 60606
Robert L. Kroc
President and Principal Manager

ANN AND EDWIN BOTHERCHILD FUND
69 West Washington Street
Room 3000
Chicago, Illinois 60602
Edwin A. Botherchild
President and Principal Manager

CHARLES HYMAN FUND
221 North LaSalle Street
Chicago, Illinois 60601
Charles Hyman
President and Principal Manager

D. & K. FOUNDATION
c/o Draper & Kramer, Inc.
30 West Monroe Street
Chicago, Illinois 60602
Ferd Kramer
President and Principal Manager

H. & R. LEBESON FUND
c/o Draper & Kramer, Inc.
1335 North Astor Street
Chicago, Illinois 60610
Harry Lebeson
President and Principal Manager

April-16

THE KROC FOUNDATION 36-6125258
SCHEDULE OF SECURITIES
DECEMBER 31, 1974

		How Acquired	Date	Balance	Purchases	Date	Sales	Net Gain	Par Value	Balance	Market
		P-Purchased D-Donated	Acquired	12/31/73		Sold	Price	or (Loss)	of Bonds	12/31/74	Value
Corporate Bonds & Debentures											
200M	Chase Manhattan	P	10/09/73	\$ 223,000	\$ -	-	-	\$ -	\$ 200,000	\$ 223,000	\$ 146,435
	6-1/2% Conv. Deb.	P	5/08/70	99,000	-	-	-	-	100,000	99,000	100,000
100M	Commonwealth Edison 8% Bonds										
100M	1st National City Bank	P	Various	100,400	-	-	100,400	-	-	-	-
	4% Conv. Deb.										
50M	Chase Manhattan	P	5/22/74	-	43,500	-	-	-	50,000	43,500	28,565
	6-1/2% Conv. Deb.										
500M	Federal Land Banks	P	12/17/74	-	493,906	-	-	-	500,000	493,906	490,000
	7.15% Conv. Deb.										
200M	FNB of Chicago	P	11/06/74	-	200,000	-	-	-	200,000	200,000	200,000
	9.20% Ctf. Dep.										
200M	FNB of Chicago	P	11/26/74	-	200,000	-	-	-	200,000	200,000	200,000
	9.25% Ctf. Dep.										
200M	FNB of Chicago	P	12/18/74	-	200,000	-	-	-	200,000	200,000	200,000
	9.05 Ctf. Dep.										
130M	Northern Trust Co.	P	12/03/74	-	130,000	-	-	-	130,000	130,000	130,000
	9-5/8% Ctf. Dep.	P	5/08/74	-	199,900	-	200,000	100	-	-	-
200M	FNB of Chicago										
500M	Federal Nat'l. Mtge	P	11/19/73	507,187	-	-	505,778	(1,409)	-	-	-
	7.85% Deb.										
200M	1st Nat'l. Bank	P	11/14/73	200,000	-	-	200,000	-	-	-	-
	9.375% Ctf. Dep.										
200M	1st Nat'l. Bank	P	10/10/73	200,000	-	2/07/74	200,000	-	-	-	-
	9.5% Ctf. Dep.										
200M	1st Nat'l. Bank	P	12/19/73	200,000	-	-	200,000	-	-	-	-
	9-1/4% Ctf. Dep.										
800M	Harris Trust & Savings Bank	P	12/03/73	800,000	-	-	800,000	-	-	-	-
	9.625% Ctf. Dep.										
Total Bonds and Certificates of Deposit				2,329,587	1,467,306		2,206,178	(1,309)		1,589,406	1,495,000
60,000	U.S. Treasury Notes 5.875%	P	Various	-	75,216	Various	74,428	(788)	-	-	-
55,000	U.S. Treasury Notes 6.00 %	P	4/19/74	-	54,364	6/28/74	54,525	161	-	-	-
339,000	U.S. Treasury Notes 5.75 %	P	Various	-	333,565	Various	334,774	1,209	-	-	-
129,000	U.S. Treasury Notes 7.75 %	P	Various	-	128,831	Various	128,984	153	-	-	-
366,000	U.S. Treasury Notes 5.875%	P	Various	-	359,610	-	-	-	-	359,610	362,340
				-	951,586		592,711	735		359,610	362,340
Common Stock (following page)				8,946,883	1,064,719		515,162	(485,727)		9,010,713	6,492,428
				\$ 11,276,470	\$ 3,483,611		\$ 3,314,051	\$ (486,301)		\$ 10,959,729	\$ 8,349,768
Cost of Sales							\$ 3,800,352				

**THE KROC FOUNDATION
SCHEDULE OF SECURITIES
DECEMBER 31, 1974**

<u>Name of Security</u>	<u>No. of Shares 12/31/73</u>	<u>Balance 12/31/73</u>	<u>Purchases</u>	<u>Sales</u>	<u>Balance 12/31/74</u>	<u>No. of Shares 12/31/74</u>	<u>Proceeds from Sale</u>	<u>Gain or (Loss) from Sale</u>	<u>Market Value</u>
Allied Chemical	6,000	\$ 241,566			\$ 241,566	6,000			\$ 168,000
Amerada Hess			\$ 199,246		199,246	3,000			126,000
Becton Dickinson	5,000	191,906			191,906	5,000			135,000
Blue Bell, Inc.	6,000	240,538	39,428		279,966	8,000			96,000
British Petroleum	10,000	150,080		\$ 150,080			\$ 113,822	\$(36,258)	-
Burroughs Corp.	700	149,168	58,724		207,892	2,000			150,000
Citicorp			100,400		100,400	6,000			168,000
Continental Oil	6,000	194,676			194,676	6,000			270,000
Control Data	2,500	182,300		182,300			35,937	(146,363)	-
Corning Glass	1,250	119,379	60,896		180,275	2,050			61,500
Donaldson Company	5,000	116,475	49,875		166,350	7,000			77,000
Dun & Bradstreet			118,284		118,284	6,000			114,000
Eastman Kodak	1,500	129,608	57,373		186,981	2,000			126,000
ERC Corp.	4,000	165,750			165,750	4,000			64,000
Florida Power & Light	6,000	194,283			194,283	6,000			90,000
Fuji Photo Ltd.	7,835	134,321		134,321			70,515	(63,806)	-
Gen'l American Oil Co.	2,652	123,649		123,649			93,732	(29,917)	-
Hewlett Packard	2,000	68,727			68,727	2,000			120,000
IBM	1,500	389,155			389,155	1,500			252,000
Marathon Oil Co.	5,000	213,894			213,894	5,000			175,000
McDonald's	100,000	3,756,667			3,756,667	100,000			2,937,500
Merck & Co.	1,500	68,726			68,726	1,500			99,000
Norton Simon, Inc.	10,175	270,768	24,374		295,142	12,175			136,719
Rank Organization	20,000	177,040	11,560		188,600	22,000			44,000
St. Paul Companies	4,000	109,125	24,250		133,375	5,000			140,000
Stein Roe Farnham Fund	2,000	122,423	6,060		128,483	2,110			76,209
Squibb Corp.	1,500	158,200			158,200	1,500			87,000
Tektronix	4,000	147,251			147,251	4,000			76,000
Tokio Mar. & Fire Ins.	1,480	38,560		38,560			110,950	72,390	-
Times Mirror	10,000	233,460			233,460	10,000			100,000
Trane Co.	5,000	297,959	29,112	327,071			67,397	(259,674)	-
Transocean Oil	1,887	44,908		44,908			22,809	(22,099)	-
Union Oil of California			178,185		178,185	4,000			160,000
Utah International	3,600	67,273	18,416		85,689	4,000			156,000
Western Bancorporation	8,000	245,017	42,000		287,017	10,000			160,000
Xerox	1,800	204,031	46,536		250,567	2,500			127,500
Total stocks		\$ 8,946,883	\$ 1,064,719	\$ 1,000,889	\$ 9,010,713		\$ 515,162	\$(485,727)	\$ 6,492,428

The Kroec Foundation Employer I.D. No. 36-6125258
 Year Ended December 31, 1974

Schedule of Contributions

<u>Name and Address</u>	<u>Relationship to Foundation Manager</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Foundation for Advance Educational Sciences Bethesda, Maryland	None	Scientific Research	\$ 12,000
Johns Hopkins University Baltimore, Maryland	None	Medical Research	40,000
Regents of University of California Orange, California	None	Medical Research	15,000
Washington University St. Louis, Missouri	None	Medical Research	213,228
Colorado State University Fort Collins, Colorado	None	Medical Research	32,726
California State University San Diego, California	None	Medical Research	5,000
Emory University Atlanta, Georgia	None	Scientific Research	30,000
Highland Hospital Rochester, New York	None	Medical Research	11,250
Sansum Medical Research Foundation Santa Barbara, California	None	Scientific Research	10,500
University of New Mexico Albuquerque, New Mexico	None	Medical Research	27,250
University of California San Francisco, California	None	Scientific Research	33,200
Scripps Clinic La Jolla, California	None	Scientific Research	15,000
Regents of University of California Los Angeles, California	None	Medical Research	78,456

The Kroc Foundation Employer I.D. No. 36-6125258
 Year Ended December 31, 1974

Schedule of Contributions (Continued)

<u>Name and Address</u>	<u>Relationship to Foundation Manager</u>	<u>Purpose of Grant</u>	<u>Amount</u>
University of Chicago Chicago, Illinois	None	Medical Research	\$ 13,540
Oregon Regional Primate Research Center Beaverton, Oregon	None	Scientific Research	57,494
Northwestern University Evanston, Illinois	None	Medical Research	36,304
Perspectives in Biology Chicago, Illinois	None	Scientific Research	250
Cornell University New York, New York	None	Medical Research	500
University of North Carolina Chapel Hill, North Carolina	None	Medical Research	1,000
University of California San Diego, California	None	Medical Research	35,000
Arthritis Foundation Illinois Chapter Chicago, Illinois	None	Medical Research	1,000
Diabetes Association of Southern California Sherman Oaks, California	None	Medical Research	10,000
Washington State University Pullman, Washington	None	Medical Research	4,700
University of Washington Seattle, Washington	None	Medical Research	7,500
Seventh International Thyroid Conference Boston, Massachusetts	None	Medical Research	2,500
Cook County Hospital Chicago, Illinois	None	Medical Research	250

The Kroc Foundation Employer I.D. No. 36-6125258
 Year Ended December 31, 1974

Schedule of Contributions (Continued)

<u>Name and Address</u>	<u>Relationship to Foundation Manager</u>	<u>Purpose of Grant</u>	<u>Amount</u>
University of Nebraska Diabetes Symposium Omaha, Nebraska	None	Medical Research	\$ 500
American Thyroid Association	None	Medical Research	250
Joslin Diabetes Foundation Boston, Massachusetts	None	Medical Research	12,848
Santa Ynez Valley Recovery Residence	None	Medical Research	1,000
Stanford University Stanford, California	None	Medical Research	37,673
National Institute Health Bethesda, Maryland	None	Medical Research	1,100
University of Pennsylvania	None	Medical Research	7,500
University of Wisconsin Madison, Wisconsin	None	Medical Research	8,943
University of Kentucky Lexington, Kentucky	None	Medical Research	7,135
			<u>\$ 770,597</u>