

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

51491 4961731

1973

For the calendar year 1973, or fiscal year beginning

1973 and ending

19

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

Name of organization

The Kroc Foundation

Address (number and street)

c/o A. H. Doty, 20 N. Wacker Dr.

City or town, State and ZIP code

Chicago, Illinois 60606

Employer identification number
(see instruction O)

36-6125258

Date of exemption letter

10/4/65

Fair market value of assets at
end of year (see instruction S)

13,490,584.00

Foreign organizations check
hereIf exemption application is
pending, check here

601 161 162

Enter the name and address used on your return for 1972 (if the same as above, write "Same"). If none filed, give
reason.

Same

Enter your principal activity codes from last page of instructions

The books are in care of A. H. Doty

Telephone No. 312-782-5830

Located at 20 N. Wacker Dr., Chicago, Ill. 60606

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)	3,836,523.00			
2 Contributions from split-interest trusts (see instructions)				
3 Gross dues and assessments				
4 Interest	122,020	122,020	122,020	
5 Dividends	74,276	74,276	74,276	
6 Gross rents and royalties				
7 Net gain or (loss) from sale of assets not in inventory	1,562,161			
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)				
13 Total—add lines 1 through 12	5,594,980.00	196,296.00	196,296	
Expenditures				
14 Compensation of officers, directors and trustees (see instructions)	33,325	9,236	9,236	24,089
15 Other salaries and wages	41,233	2,000	2,000	39,233
16 Other employee benefits				
17 Investment, legal and other professional services	28,963	20,606	20,606	8,357
18 Interest				
19 Taxes (see instructions) Payroll Form 4562 attached	3,062	400	400	2,662
20 Depreciation, amortization, and depletion (see instructions)	2,841			
21 Rent				
22 Other expenses (attach schedule)	71,317	2,350	2,350	68,967
23 Contributions, gifts, grants (see instructions)	546,769			546,769
24 Total—add lines 14 through 23	727,510	34,592.00	34,592	690,077
25 Line 13 less line 24: (a) Excess of receipts over expenditures	4,867,470	161,704.00	161,704	
(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	6,468
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	6,468
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 designation is based on all information of which he has any knowledge.

Date

Date

Signature of officer or trustee

Signature and Emp. Ident. or Soc. Sec. No. of preparer

DOTY, JARROW & CO. 36-2591557

Title

Address

20 N. Wacker Dr., Chicago, Ill. 60606

Part III Balance Sheets		Beginning of Taxable Year		End of Taxable Year	
Assets		(A) Amount	(B) Total	(C) Amount	(D) Total
1	Cash: (a) Savings and interest-bearing accounts	130,580	130,580	274,729	274,729
	(b) Other		76,990		
2	Bank Trust Bank Trust				
3	Notes receivable net (attach schedule)				
4	Inventories	1,003,795		619,129	
5	Gov't obligations: (a) U.S. and instrumentalities		1,003,795		619,129
	(b) State, subdivisions thereof, etc.				
6	Investments in nongovernment bonds, etc. (attach schedule)		199,400		929,588
7	Investments in corporate stocks (attach schedule)		5,730,998		8,946,883
8	Mortgage loans (number of loans)				
9	Other investments (attach schedule)		200,000		1,400,000
10	Depreciable (depletable) assets (attach schedule):				
	(a) Held for investment purposes	17,879		19,206	
	(b) Less accumulated depreciation	4,402	13,477	7,243	11,963
	(c) Held for charitable purposes				
	(d) Less accumulated depreciation				
11	Land: (a) Held for investment purposes				
	(b) Held for charitable purposes				
12	Other assets (attach schedule) accrued interest and dividends		17,056		51,414
13	Total assets		7,372,296		12,233,706.00
Liabilities					
14	Accounts payable		2,032		4,115
15	Contributions, gifts, grants, etc., payable				
16	Mortgages and notes payable (attach schedule)				
17	Other liabilities (attach schedule) Accrued taxes		329		7,654
18	Total liabilities		11,361		11,769.00
Net Worth (Fund Balances)					
19	Principal Fund		7,882,937		13,281,621
20	Income Fund		(522,002)		(1,059,684)
21	Total Net Worth (Fund Balances)		7,360,935		12,221,937
22	Total liabilities and Net Worth (line 18 plus line 21)		7,372,296		12,233,706

Part IV Analysis of Changes in Net Worth

1	Total net worth at beginning of year—line 21, Column B, Part III	7,360,935
2	Enter amount from line 25(a), Part I	4,867,470
3	Other increases not included in line 2 (itemize):	
4	Total of lines 1, 2, and 3	12,228,405
5	Decreases not included in line 2 (itemize):	
	Federal excise taxes	6,468
6	Total net worth at end of year (line 4 less line 5)—line 21, Column D, Part III	12,221,937

Computation of Undistributed Income (See instructions)

	Corpus	1970	1971	1972	1973
1 Enter distributable amounts: For 1973, enter amount from line 7, Part VIII; for prior years, enter amounts from 1972 return		57,461	56,918	485,195	641,655
2 1970 qualifying distributions (as shown on 1972 return) to be applied \$ 32,250		32,250			
(a) Amount applied to 1970, but not more than the distributable amount for 1970					
(b) Remaining amount—treated as an excess distribution out of corpus					
3 1971 qualifying distributions (as shown on 1972 return) to be applied \$ 159,909		25,211			
(a) Amount applied to remaining undistributed income (if any) for 1970					
(b) Amount treated as a distribution out of corpus (election required—see instructions)					
(c) Amount applied to 1971, but not more than the distributable amount for 1971			56,918		
(d) Remaining amount (if any)—treated as an excess distribution of corpus	77,780				
4 Excess 1970 distributions, treated as a distribution of corpus in 1970 (line 2(b)), applied as a carryover to remaining undistributed income (if any) for 1971	()				
5 1972 qualifying distributions (as shown on 1972 return) to be applied \$ 420,931					
(a) Amount applied to remaining undistributed income (if any) for 1971					
(b) Amount treated as a distribution out of corpus or applied to the remaining undistributed income (if any) for 1970 (election required—see instructions)					
(c) Amount applied to 1972, but not more than the distributable amount for 1972				420,931	
(d) Remaining amount, if any, treated as an excess distribution of corpus					
6 Excess 1970 and 1971 distributions, treated as a distribution of corpus in 1970 and 1971, applied as a carryover to remaining undistributed income (if any) for 1972	(64,264)			64,264	
7 1973 qualifying distributions (from Part X) to be applied \$ 690,077					
(a) Amount applied to remaining undistributed income (if any) for 1972					
(b) Amount treated as a distribution out of corpus or applied to the remaining undistributed income (if any) for 1970 and 1971 (election required—see instructions)					
(c) Amount applied to 1973, but not more than the distributable amount for 1973					641,655
(d) Remaining amount (if any) treated as an excess distribution of corpus	48,422				
8 Excess 1970, 1971 and 1972 distributions, treated as a distribution of corpus in 1970, 1971 and 1972, applied as a carryover to remaining undistributed income for 1973	()				
9 Total qualifying distributions applied to 1970, 1971, 1972, and 1973 (add amounts in each column, lines 2 through 8) * See instructions for Corpus column	61,938	57,461	56,918	485,195	641,655
10 Undistributed income as of end of taxable year beginning in 1973 (line 1 less line 9) (The amount in each column other than 1973 is subject to tax and must be reported on Form 4720)		-0-	-0-	-0-	-0-
11 Distributions required to be made by the foundation out of corpus so that restrictions will not be imposed on the charitable contributions deductions or qualifying distributions of certain donors (see instructions). Enter in "corpus" column the sum of such distributions shown in yearly columns	(-0-)	-0-	-0-	-0-	-0-
12 Net balance of distributions from corpus available for carryover to 1974 as an excess distribution—line 9 less line 11	61,938				

THE KROC FOUNDATION 36-6125258
YEAR ENDED DECEMBER 31, 1973

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	None	Scientific Research	\$ 9,500
Johns Hopkins University Baltimore, Maryland	None	Medical Research	25,000
Regents of University of California Orange, California	None	Medical Research	34,500
Washington University St. Louis, Missouri	None	Medical Research	175,000
Colorado State University Fort Collins, Colorado	None	Medical Research	27,000
Peter Bent Bingham Hospital Boston, Mass.	None	Medical Research	2,000
California State University San Diego, California	None	Medical Research	10,000
Emory University Atlanta, Georgia	None	Scientific Research	20,000
Highland Hospital Rochester, New York	None	Medical Research	10,000
Sansum Clinic Santa Barbara, California	None	Scientific Research	10,000
University of Southern California Los Angeles, California	None	Scientific Research	12,000

THE KROC FOUNDATION 36-6125258
YEAR ENDED DECEMBER 31, 1973

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 New Mexico Albuquerque, New Mexico	None	Medical Research	\$ 25,000
University of California San Francisco, California	None	Scientific Research	6,000
Scripps Clinic La Jolla, California	None	Scientific Research	15,000
University of Utah Salt Lake City, Utah	None	Medical Research	21,600
Regents of University of California Los Angeles, California	None	Medical Research	54,169
University of Chicago Chicago, Illinois	None	Medical Research	16,000
Oregon Regional Primate Research Center Beaverton, Oregon	None	Scientific Research	10,000
Northwestern University Evanston, Illinois	None	Medical Research	17,000
American Diabetes Association New York, New York	None	Medical Research	5,000
Perspectives in Biology Chicago, Illinois	None	Scientific Research	250

Part V Statements with Respect to Certain Activities

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

	Yes	No
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?		X
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?		X
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?		X
If "Yes," attach a copy of the changes.		
D Have you filed a tax return on Form 990-T for this year?		X
E Was there a substantial contraction during the year?		X
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 N)		
F Did you file the annual report required by section 6056 (see Form 990-AR for instructions)?	X	
G Are the requirements of section 508(e) (relating to governing instruments) satisfied?	X	
(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	X	
H (1) Enter the names of the States required to be listed by general instruction P		
Illinois 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 Q?	X	
If "No," attach explanation.		
I Are you claiming status as an operating foundation within the meaning of 4942(j)(3) for calendar year 1973 or fiscal year beginning in 1973? (see instructions for Part XII)		X
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		X
(b) Borrowing or lending of money or other extension credit		X
(c) Furnishing of goods, services, or facilities		X
(d) Payment of compensation (or payment or reimbursement of expenses)		X
(e) Transfer to, or use by or for the benefit of a disqualified person of any part of your income or assets		X
(f) Agreement to make any payment of money, or other property, to a government official (as defined in section 4946(c)) other than an agreement to make a grant to or employ such individual for any period after the termination of his government service if such individual is terminating his government service within a 90-day period		X
(2) If any of questions 1(a) through 1(f) is answered "Yes," were all of such acts in which you engaged excepted acts described in section C, Part V of the instructions?		
(3) Have you, in a prior year, engaged in any of the acts described in (1) above that were acts that resulted in acts of self-dealing in years beginning after December 31, 1969, because they were not excepted acts described in Section C, Part V, of the instructions, and that were not corrected before the first day of your taxable year beginning in 1973?		X
K Taxes on failure to distribute income (section 4942) (not applicable for years you were an operating foundation as defined in 4942(j)(3)):		
(1) Did you at the end of taxable year 1973 have any undistributed income (line 10, Part XI) with respect to taxable years 1970, 1971, or 1972?		X
(2) If "Yes," are you applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) with respect to such undistributed income for (a) 1970		
(b) 1971		
(c) 1972		
If "Yes," to (a), (b), or (c) see Instruction A for Part V of the instructions.		
L Taxes on excess business holdings (section 4943):		
(1) Did you hold more than two percent direct or indirect interest in any business enterprise (see instruction B, Part V "Definitions") at any time during the year?		X
(2) If "Yes," have you purchased or have disqualified persons purchased stock in a business enterprise since May 26, 1969, which resulted in excess business holdings (direct or indirect) in 1973 which are subject to tax under section 4943?		
M Taxes on investments which jeopardize charitable purpose (section 4944):		
(1) Did you invest during the year any amount in such a manner as to jeopardize the carrying out of any of your exempt purposes?		X
(2) Did you invest, in a prior year (but after December 31, 1969), any amounts in such a manner as to jeopardize the carrying out of any of your exempt purposes and such investments were not removed from jeopardy before the first day of your taxable year beginning in 1973?		X

Part V 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

Part VI Statement With Respect to Contributors, Compensation, etc.**A. Persons who Became Substantial Contributors in 1973 (If more space is needed, attach schedule)**

Name	Address
Ray A. Kroc	c/o McDonald's Corporation McDonald's Plaza, Oakbrook, Illinois 60521

B. Compensation of Officers, Directors and Trustees for 1973

Name and Address	Social security number	Title	Time devoted to position	Compensation
Robert L. Kroc Box 547, Santa Ynez, California		President & Director	Full	33,325
Ray A. Kroc, c/o McDonald's Corp. McDonald's Plaza, Oakbrook, 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 1973 (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 ▶

1973

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 1973, or fiscal year beginning, 1973, and ending, 19.

Name of organization

The Kroc Foundation

Employer identification number

36-6125258

Address of principal office

% A. H. Doty, 20 N. Wacker Dr. 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

Have you attached the notice required by instruction C? ☒ Yes ☐ No**Revenues**

1 Amount of gifts, grants, bequests, and contributions received for the year	3,836,523
2 Gross income for the year	1,758,457
3 Total	5,594,980

Disbursements and Expenses

4 Disbursements for the year for the purposes for which exempt (including administrative expenses)	690,077
5 Expenses attributable to gross income (item 2 above) for the year	34,592

Foundation Managers

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

Name and title	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	% McDonald Corp. McDonald's Plaza Oak Brook, Illinois 60521
A. H. Doty, Vice President & Treas.	20 N. Wacker Dr. Suite 2720 Chicago, Illinois 60606
Donald G. Lubin, Secretary	69 W. 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

THE KROC FOUNDATION 36-6125258
YEAR ENDED DECEMBER 31, 1973

SCHEDULE OF CONTRIBUTIONS (Continued)

<u>Name and Address</u>	<u>Relationship to Foundation Manager</u>	<u>Purpose of Grant</u>	<u>Amount</u>
National Institute of Arthritis Bethesda, Maryland	None	Scientific Research	\$ 3,000
Oberlin College Oberlin, Ohio	None	Medical Research	20,750
The David L. Reeves Medical Library Foundation Santa Barbara, California	None	Medical Research	5,000
Solvang Lutheran Home, Inc. Solvang, California	None	Medical Research	2,000
University of Minnesota Minneapolis, Minnesota	None	Medical Research	10,000
National Multiple Sclerosis Society New York, New York	None	Medical Research	<u>1,000</u>
			<u>\$ 546,769</u>

Part VI (continued)**D. Five Highest Paid Persons for Professional Services for 1973 (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

Part VII 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 1 st Co., 2 story brick, etc.)	c. How acquired P—Purchase D—Donation	d. Date acquired (mo., day, yr.)	e. Date sold (mo., day, yr.)
1 Security 3,000 shares	Esmark, Inc.	P	Various	11/30/73
Security 5 shares	Interway Corp.	P	Various	3/21/73
Security 50,000 shares	McDonald's Corp.	D	Various	10/11/73
Security 500 shares	Merck & Co.	P	Various	9/15/73
Security 500 shares	Squibb Corp.	P	8/11/72	8/28/73
Security 460 shares	Tokio Marine & Fire Ins.	P	Various	3/6/73
Security 4,000 shares	Westinghouse Electric	P	Various	4/19/73

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)
68,407		132,319	(64,112)
454		-	454
3,443,750		1,878,333	1,565,417
39,649		22,910	16,739
47,475		52,732	(5,257)
68,287		15,548	52,739
137,615		141,434	(3,819)

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

j. F.M.V. as of 12/31/69	k. Adjusted basis as of 12/31/69	l. Excess of col. j over col. k, if any	m. Enter losses from col. i, and gains (excess of col. i gain over col. l, but not less than zero)
			(64,112)
			454
			1,565,417*
			16,739
			(5,257)
			52,739
			(3,819)
			1,562,141
			(1,565,417)
			(3,256)
	Subtotal		

*Less gain on sale of McDonald's stock (not investment income under IRC Sec. 490 (c))

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

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

Part VIII Computation of Distributable Amount for 1973 (See instructions—not applicable to operating foundations)

1	Adjusted net income from line 25(c), Part I	161,704
2	Minimum investment return from line 6 or 7, Part IX	648,123
3	Enter the higher of line 1 or line 2	648,123
4	Enter sum of: (a) Tax on investment income for 1973 from Part II	6,468
	(b) Income tax on unrelated business income for 1973 (Form 990-T)	6,468
5	Distributable amount (line 3 less line 4)	641,655
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	641,655

Part IX Minimum Investment Return for 1973 (Operating Foundations—See instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out exempt purpose:	
	(a) Monthly average of securities at fair market value	14,911,965
	(b) Monthly average of cash balances	42,417
	(c) Fair market value of all other assets (see instructions)	85,450
	(d) Total (add lines (a), (b), and (c))	15,039,832
2	Acquisition indebtedness applicable to line 1 assets	
3	Line 1(d) less line 2	15,039,832
4	Cash deemed held for charitable activities—enter 1½% of line 3 (for greater amount, see instructions)	225,597
5	Line 3 less line 4	14,814,235
6	Organizations organized after May 26, 1969, and all Operating Foundations enter 5.25% of line 5	
7	Organizations (other than operating foundations) organized before May 27, 1969, enter 4.375% of line 5	648,123

Part X Qualifying Distributions in 1973 (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	690,077
	(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 1973 (add lines 1, 2, and 3)	690,077.00

Balance Sheet Per Books at the Beginning of the Year

Assets		Liabilities	
Cash	130,580	Accounts payable	2,032
Accounts and notes receivable		Contributions, gifts, grants, etc. payable	
Inventories		Bonds and notes payable	
Securities		Mortgages payable	
Government obligations	1,003,795	Other liabilities	9,329
Corporate bonds	199,400	Total liabilities	11,361
Corporate stocks	5,730,998		
Mortgage loans		Net Worth	
Real estate		Principal fund	7,882,937
Less: Depreciation		Income fund	(552,002)
Other assets	311,925		
Less: Depreciation	4,402	Total net worth	7,360,935
Total assets	7,372,296	Total liabilities and net worth	7,372,296

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

Asset	Book value	Market value
Cash	274,729	274,729
Receivables	51,414	51,414
Fixed Assets - Net	11,963	11,963
Securities (Schedule attached)	11,895,600	13,152,478
Total	12,233,706	13,490,584

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

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

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 General of each State entitled to receive reports and listed on Form 990-PF.

5/14/74 Date Signature of foundation manager Title
 5/14/74 Date Signature of individual or firm preparing the return Preparer's address Emp. Ident. or Soc. Sec. No.

Instructions

A. Annual Report.—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 shall file an annual report. A private foundation may use this form for its annual reporting requirements.

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

The report may be prepared in printed, type-written or any other form the foundation chooses; provided that it readily and legibly discloses the information required by section 6056 and the regulations thereunder.

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.—The annual report required to be filed under section 6056 shall be made available by the foundation managers for inspection at the principal office of the foundation during regular business hours by any citizen on request made within 180 days after the publication of notice of its availability; or if the foundation manager chooses, he may furnish a copy free of charge to such persons requesting inspection, provided such persons do so at the time and manner prescribed in section 6104(d) and the regulations thereunder.

The notice shall be published not later than the day prescribed for filing such 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 shall state that the annual report of the private foundation is available at its principal office for inspection during regular business hours by any citizen who requests it within 180 days after the date of such

publication, and shall state 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) in lieu of such office, any other location at which its annual report shall be made available.

A copy of such notice as published and a statement signed by a foundation manager stating that such notice was published, setting forth the date of publication and the publication in which it appears shall be sufficient proof of publication.

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 shall furnish a copy of the annual report (required by section 6056) to the Attorney Gen-

eral of (1) each State which they are required to list above, (2) the State in which is located the principal office of the foundation, and (3) the State in which the foundation was incorporated or organized. Such report shall 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 such 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 C.B. 759, or later revisions, for rules relating to relief from the penalty provision of Section 6652. If such failure to file the annual report or comply with "C" is willful, there shall be imposed in addition to the amount mentioned above a penalty of \$1,000 with respect to 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 shall not be subject to the requirements of C and F above.

THE KROC FOUNDATION 36-6125258
 FORM 990PF
 YEAR ENDED DECEMBER 31, 1973

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>			
Commonwealth Edison 8% due 10/1/75	\$ 100,000	\$ 99,000	\$ 101,000
First National City Bank of New York - 4% due 7/1/90	100,000	100,400	258,000
Chase Manhattan Corp. 6-1/2% due 7/1/96	200,000	223,000	210,000
Federal National Mortgage Association - 7.85% due 9/12/77	<u>500,000</u>	<u>507,188</u>	<u>510,000</u>
	<u>-</u>	<u>929,588</u>	<u>1,079,000</u>
<u>CERTIFICATES OF DEPOSITS</u>			
First National City Bank of New York - 9-1/2% due 2/7/74	\$ 200,000	\$ 200,000	\$ 200,000
First National Bank of Chicago - 9-3/8% due 2/11/74	200,000	200,000	200,000
Harris Trust & Savings of Chicago - 9-5/8% due 2/27/74	800,000	800,000	800,000
First National City Bank of New York - 9-1/4% due 4/15/74	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	<u>-</u>	<u>1,400,000</u>	<u>1,400,000</u>
<u>UNITED STATES TREASURY BILLS & NOTES</u>			
Due February 15, 1974	\$ 37,000	\$ 36,580	\$ 37,000
Due February 15, 1974	42,000	42,157	42,000
Due February 15, 1974	50,000	50,094	50,000
Due April 11, 1974	<u>510,000</u>	<u>490,298</u>	<u>490,920</u>
	<u>-</u>	<u>619,219</u>	<u>619,920</u>

THE KROC FOUNDATION 36-6125258
 FORM 990PF
 YEAR ENDED DECEMBER 31, 1973

PART III, LINE 7

Name of Security	No. of Shares or Par Value	At Cost	At Fair Market Value
Allied Chemical Corporation	\$ 6,000	\$ 241,566	\$ 264,000
Beckton Dickson	5,000	191,906	152,000
Blue Bell Incorporated	6,000	240,538	84,000
British Petroleum Company, Limited	10,000	150,081	140,000
Burroughs Company	700	149,167	154,000
Continental Oil	6,000	194,676	264,000
Control Data	2,500	182,300	87,500
Corning Glass	1,250	119,379	107,500
Donaldson Company	5,000	116,475	115,000
Eastman Kodak	1,500	129,608	171,000
ERC	4,000	165,750	140,000
Florida Power & Light	6,000	194,283	162,000
Fuji Photo Limited	7,835	134,321	78,350
General American Oil Company of Texas	2,652	123,649	108,732
Hewlett Packard	2,000	68,727	154,000
IBM	1,500	389,155	397,500
Marathon Oil Company	5,000	213,894	230,000
McDonalds	100,000	3,756,667	5,037,500
Merck & Co.	1,500	68,726	127,500
Norton Simon Incorporated	10,175	270,768	193,325
Rank Organization	20,000	177,040	162,000
St. Paul Companies	4,000	109,125	188,000
Squibb Corporation	1,500	158,200	133,500
Stein Roe Farnham Fund	2,000	122,423	118,620
Tektronix	4,000	147,251	172,000
Times Mirror	10,000	237,460	170,000
Tokio Marine & Fire Insurance	1,480	38,560	118,400
Trane Company	5,000	297,959	165,000
Transocean Oil	1,887	44,908	24,531
Utah International Mining	3,600	67,273	190,800
Western Bancorporation	8,000	245,017	216,000
Xerox	1,800	204,031	226,800
	\$ -	\$8,946,883	\$10,053,558

The Kroc Foundation 36-6125258
Form 990PF
Year Ended December 31, 1973

PART I. LINE 1. GROSS CONTRIBUTIONS

Ray A. Kroc	\$ 3,836,523
c/o McDonald Corp.	
McDonald's Plaza	
Oak Brook, Illinois 60521	

PART I. LINE 22. OTHER EXPENSES

Auto expense	\$ 958
Dues and subscriptions	706
Conference expense	28,489
Office expense	4,546
Publications	7,376
Insurance	1,825
Telephone and utilities	6,142
Travel	6,320
Library expense	1,222
Maintenance and repairs	4,496
Donations	825
Miscellaneous	<u>8,412</u>
	\$ 71,317

CERTIFICATE OF PUBLICATION

Circuit Court of Cook County

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 May 2nd 1974

IN WITNESS WHEREOF, the undersigned has caused this certificate to be signed and its corporate seal affixed at Chicago, Illinois, this 2nd day of May 1974 A.D. 1974.

LAW BULLETIN PUBLISHING CO.

By Clifford Asst. Secretary

(Publication Fee, \$ _____)

PURSUANT TO SECTION 6104(d) of the United States Internal Revenue Code, notice is hereby given that the 1973 annual reports of each of the following private foundations are 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.

CHARLES NYMEN FUND
150 South LaSalle Street
Chicago, Illinois 60603
Charles Nyman,
President and Principal Manager

MAURICE FUND, INC.
100 West Adams Street
Room 115
Chicago, Illinois 60606
Maurice A. Rosenthal,
President and Principal Manager

M & R LEBSON FUND
c/o Harry Lebson
100 W. Jackson Boulevard
Chicago, Illinois
Harry Lebson,
President and Principal Manager

THE KROC FOUNDATION
Twenty North Wacker Drive
Room 2120
Chicago, Illinois 60606
Robert L. Kroc,
President and Principal Manager

ANN AND EDWIN ROTHSCHILD FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Edwin A. Rothschild,
President and Principal Manager

ROGER AND RUTH BLOCH FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Ruth M. Bloch,
President and Principal Manager

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

B & J ASSOCIATION, INC.
100 North State Street, Room 300
Chicago, Illinois
Attention: Elmer C. Upton
c/o B. Scully,
President and Principal Manager

BOWELL NEIGHBORHOOD HOUSE FOUNDATION, INC.
100 North State Street, Room 300
Chicago, Illinois
Attention: Elmer C. Upton
William Spitzer,
President and Principal Manager

B. AND T. ASSOCIATION, INC.
100 North State Street, Room 300
Chicago, Illinois
Attention: Elmer C. Upton
Judith B. Quine,
Vice President and Principal Manager

SHILLING FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Bertha Shilling,
President and Principal Manager

FRANK C. BERNARD FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Frank C. Bernard,
President and Principal Manager

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

CHARLES SATINOVER FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Charles Satinover,
President and Principal Manager

LOTTIE NATH FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Bernard Nath,
President and Principal Manager

LEON G. AND JOSEPHINE WINKELMAN FOUNDATION
60 West Washington Street
Room 300
Chicago, Illinois 60602
Josephine H. Winkelman,
President and Principal Manager

CARLIN FUND
60 West Washington Street
Room 300
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
60 West Washington Street
Room 300
Chicago, Illinois 60602
Abraham Fishman,
President and Principal Manager

FANNY H. AND GEORGE L. SIMMONS FOUNDATION
60 West Washington Street
Room 300
Chicago, Illinois 60602
Fanny H. Simmons,
President and Principal Manager

JEROME S. WEISS FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Jerome S. Weiss,
President and Principal Manager

BONNEKASCHEN FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Hugo Bonnekasch, Jr.,
President and Principal Manager

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

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

D AND R FUND
60 West Washington Street
Room 300
Chicago, Illinois 60602
Samuel R. Rosenthal,
President and Principal Manager

HOWARD A. HARRIET WOLFSON FOUNDATION
c/o Bernard Nath
60 West Washington Street
Room 300
Chicago, Illinois 60602
Harriet Wolfson,
President and Principal Manager

MOHRIS NOZETTE FAMILY FOUNDATION
c/o Morris Nozette
2014 W. Franklin Avenue,
Chicago, Illinois
Morris Nozette,
President and Principal Manager
May-2

Name(s) as shown on return

The Kroc Foundation

Identifying number

36-6125258

This form may be used as an attachment to an individual, partnership, fiduciary, or corporation return. The totals on line 5 below must be included on the corresponding lines of

the regular depreciation schedule. Taxpayers must also complete the Summary of Depreciation provided on the applicable form or schedule.

[illegible]

These totals should also be included 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.) Also check the Class Life (ADR) System and/or the Guideline Class Life System box(es) in the depreciation schedule of tax return if either system was elected this taxable year.

Instructions

Note: Instructions for Class Life (ADR) System and Guideline Class Life System are contained in separate instructions for Form 4832 (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 of property 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 the asset is retired from service.

In computing the basis on which depreciation may be taken for personal property other than livestock, you need not take into account salvage value that does not exceed 10 percent of the cost or other basis of the property. If the salvage value exceeds 10 percent, take only the excess into account. These provisions apply to property acquired after October 16, 1962, and having a useful life of three years or more.

Depreciation Methods.—The various methods of depreciation which may be used under section 167(b) are:

Straight Line Method.—The depreciation for each year is determined by dividing the cost or other basis of the property, by the remaining useful life of the property. The cost or other basis must be adjusted by depreciation allowed or allowable in prior years and salvage value if applicable.

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, without adjustment for salvage value.

(Continued on back)