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Form **990-PF**

Department of the Treasury
Internal Revenue Service

# Return of Private Foundation

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

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

OMB No 1545-0052

**2010**

For calendar year 2010, or tax year beginning SEP 1, 2010 , and ending AUG 31, 2011

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

| Name of foundation | A Employer identification number |
|---|---|
| THE M.S. GRUMBACHER FOUNDATION | 23-2697348 |
| Number and street (or P O box number if mail is not delivered to street address) C/O COZEN O'CONNOR 1900 MARKET STREET | Room/suite |
| B Telephone number 215-665-4117 | |
| City or town, state, and ZIP code PHILADELPHIA, PA 19103-3508 | C If exemption application is pending, check here ▶ ☐ |
| | D 1 Foreign organizations, check here ▶ ☐ |
| | 2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐ |
| H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation | E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐ |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 5,584,864. J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis ) | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐ |

**Part I** Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) )

| | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|---|---|---|---|---|
| Revenue | 1 Contributions, gifts, grants, etc , received | | | N/A | |
| | 2 Check ▶ ☒ if the foundation is not required to attach Sch B | | | | |
| | 3 Interest on savings and temporary cash investments | 2. | 2. | | STATEMENT 1 |
| | 4 Dividends and interest from securities | 205,411. | 205,411. | | STATEMENT 2 |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | 176,916. | | | |
| | b Gross sales price for all assets on line 6a 1,801,764. | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | 176,916. | | |
| | 8 Net short-term capital gain | | | | |
| | 9 Income modifications | | | | |
| | 10a Gross sales less returns and allowances | | | | |
| | b Less Cost of goods sold | | | | |
| | c Gross profit or (loss) | | | | |
| | 11 Other income | | | | |
| | 12 Total Add lines 1 through 11 | 382,329. | 382,329. | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc | 24,300. | 12,150. | | 12,150. |
| | 14 Other employee salaries and wages | | | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees STMT 3 | 9,604. | 4,802. | | 4,802. |
| | b Accounting fees STMT 4 | 2,150. | 1,075. | | 1,075. |
| | c Other professional fees STMT 5 | 19,297. | 19,297. | | 0. |
| | 17 Interest | | | | |
| | 18 Taxes STMT 6 | 4,487. | 339. | | 0. |
| | 19 Depreciation and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses STMT 7 | 615. | 308. | | 307. |
| | 24 Total operating and administrative expenses Add lines 13 through 23 | 60,453. | 37,971. | | 18,334. |
| | 25 Contributions, gifts, grants paid | 265,750. | | | 265,750. |
| | 26 Total expenses and disbursements Add lines 24 and 25 | 326,203. | 37,971. | | 284,084. |
| | 27 Subtract line 26 from line 12 | | | | |
| | a Excess of revenue over expenses and disbursements | 56,126. | | | |
| | b Net investment income (if negative, enter -0-) | | 344,358. | | |
| | c Adjusted net income (if negative, enter -0-) | | | N/A | |

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**Part II Balance Sheets** Attached schedules and amounts in the description column should be for end-of year amounts only

| | | Beginning of year | End of year | |
|---|---|---|---|---|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| Assets | 1 Cash - non-interest-bearing | | | |
| | 2 Savings and temporary cash investments | 41,028. | 39,451. | 39,451. |
| | 3 Accounts receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments - U S and state government obligations | 424,836. | | |
| | b Investments - corporate stock STMT 8 | 2,269,676. | 2,458,356. | 3,937,587. |
| | c Investments - corporate bonds STMT 9 | 1,364,562. | 1,580,703. | 1,607,826. |
| | 11 Investments - land buildings and equipment basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 12 Investments - mortgage loans | | | |
| | 13 Investments - other | | | |
| | 14 Land, buildings, and equipment basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 15 Other assets (describe ▶ ) | | | |
| | 16 **Total assets** (to be completed by all filers) | 4,100,102. | 4,078,510. | 5,584,864. |
| Liabilities | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 Mortgages and other notes payable | | | |
| | 22 Other liabilities (describe ▶ STATEMENT 10) | 77,718. | 0. | |
| | 23 **Total liabilities** (add lines 17 through 22) | 77,718. | 0. | |
| Net Assets or Fund Balances | **Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31** | | | |
| | 24 Unrestricted | | | |
| | 25 Temporarily restricted | | | |
| | 26 Permanently restricted | | | |
| | **Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31** | | | |
| | 27 Capital stock, trust principal, or current funds | 4,022,384. | 4,078,510. | |
| | 28 Paid-in or capital surplus, or land, bldg , and equipment fund | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | 0. | 0. | |
| | 30 **Total net assets or fund balances** | 4,022,384. | 4,078,510. | |
| | 31 **Total liabilities and net assets/fund balances** | 4,100,102. | 4,078,510. | |

**Part III Analysis of Changes in Net Assets or Fund Balances**

| | | | |
|---|---|---|---|
| 1 | Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 4,022,384. |
| 2 | Enter amount from Part I, line 27a | 2 | 56,126. |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 | Add lines 1, 2, and 3 | 4 | 4,078,510. |
| 5 | Decreases not included in line 2 (itemize) ▶ | 5 | 0. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 4,078,510. |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| | (a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co ) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo , day, yr ) | (d) Date sold (mo , day, yr ) |
|---|---|---|---|---|
| 1a | SEE SCHEDULE ATTACHED | P | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

| | (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|---|---|---|---|---|
| a | 1,801,764. | | 1,624,848. | 176,916. |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) |
|---|---|---|---|---|
| | (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | |
| a | | | | 176,916. |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

| | | | |
|---|---|---|---|
| 2 | Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } | 2 | 176,916. |
| 3 | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 | 3 | N/A |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col (b) divided by col (c)) |
|---|---|---|---|
| 2009 | 266,940. | 5,673,601. | .047049 |
| 2008 | 346,966. | 5,414,757. | .064078 |
| 2007 | 351,340. | 6,988,489. | .050274 |
| 2006 | 319,923. | 7,167,046. | .044638 |
| 2005 | 316,145. | 6,617,677. | .047773 |

| | | | |
|---|---|---|---|
| 2 | **Total** of line 1, column (d) | 2 | .253812 |
| 3 | Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | 3 | .050762 |
| 4 | Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | 4 | 5,821,484. |
| 5 | Multiply line 4 by line 3 | 5 | 295,510. |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 3,444. |
| 7 | Add lines 5 and 6 | 7 | 298,954. |
| 8 | Enter qualifying distributions from Part XII, line 4 | 8 | 284,084. |

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

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

| | | | |
|---|---|---|---|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b | 1 | 6,887. |
| c | All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b) | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 2 | 0. |
| 3 | Add lines 1 and 2 | 3 | 6,887. |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 4 | 0. |
| 5 | **Tax based on investment income** Subtract line 4 from line 3 If zero or less, enter -0- | 5 | 6,887. |
| 6 | Credits/Payments | | |
| a | 2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 2,920. | | |
| b | Exempt foreign organizations - tax withheld at source — 6b: | | |
| c | Tax paid with application for extension of time to file (Form 8868) — 6c: | | |
| d | Backup withholding erroneously withheld — 6d: | | |
| 7 | Total credits and payments Add lines 6a through 6d | 7 | 2,920. |
| 8 | Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached | 8 | |
| 9 | **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶ | 9 | 3,967. |
| 10 | **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶ | 10 | |
| 11 | Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ **Refunded** ▶ | 11 | |

**Part VII-A Statements Regarding Activities**

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a | | X |
| b | Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *If the answer is "Yes" to* **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities* | 1b | | X |
| c | Did the foundation file **Form 1120-POL** for this year? | 1c | | X |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0. | | | |
| e | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0. | | | |
| 2 | Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities* | 2 | | X |
| 3 | Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* | 3 | | X |
| 4a | Did the foundation have unrelated business gross income of $1,000 or more during the year? | 4a | | X |
| b | If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A | 4b | | |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T* | 5 | | X |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | X | |
| 7 | Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV* | 7 | X | |
| 8a | Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ PA | | | |
| b | If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation* | 8b | X | |
| 9 | Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV* | 9 | | X |
| 10 | Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | 10 | | X |

**Part VII-A Statements Regarding Activities** *(continued)*

| | | | | |
|---|---|---|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | 11 | | X |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? | 13 | X | |

Website address ▶ N/A

14 The books are in care of ▶ THE FOUNDATION'S FIDUCIARY Telephone no ▶ 215-665-4117

Located at ▶ 1900 MARKET STREET, PHILADELPHIA, PA ZIP+4 ▶ 19103-3508

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

| | | | Yes | No |
|---|---|---|---|---|
| 16 | At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶ | 16 | | X |

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

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

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the year did the foundation (either directly or indirectly) | | | |
| | (1) Engage in the sale or exchange, or leasing of property with a disqualified person? | ☐ Yes ☒ No | | |
| | (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? | ☐ Yes ☒ No | | |
| | (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? | ☐ Yes ☒ No | | |
| | (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? | ☒ Yes ☐ No | | |
| | (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? | ☐ Yes ☒ No | | |
| | (6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ) | ☐ Yes ☒ No | | |
| b | If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐ | 1b | | X |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? | 1c | | X |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)) | | | |
| a | At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If "Yes," list the years ▶ _____, _____, _____, _____ | | | |
| b | Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions ) N/A | 2b | | |
| c | If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ _____, _____, _____, _____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No | | | |
| b | If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010 )* N/A | 3b | | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | X |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? | 4b | | X |

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** *(continued)*

| | | | | |
|---|---|---|---|---|
| 5a | During the year did the foundation pay or incur any amount to | | | |
| | (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? | ☐ Yes ☒ No | | |
| | (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? | ☐ Yes ☒ No | | |
| | (3) Provide a grant to an individual for travel, study, or other similar purposes? | ☐ Yes ☒ No | | |
| | (4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? | ☐ Yes ☒ No | | |
| | (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? | ☐ Yes ☒ No | | |
| b | If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? | N/A | 5b | |
| | Organizations relying on a current notice regarding disaster assistance check here | ▶ ☐ | | |
| c | If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A | ☐ Yes ☐ No | | |
| | *If "Yes," attach the statement required by Regulations section 53 4945-5(d)* | | | |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | ☐ Yes ☒ No | | |
| b | Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | 6b | X |
| | *If "Yes" to 6b, file Form 8870* | | | |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? | ☐ Yes ☒ No | | |
| b | If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? | N/A | 7b | |

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation.**

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|---|---|---|---|
| SEE STATEMENT 11 | | 24,300. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |

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

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

**Total** number of other employees paid over $50,000 ▶ 0

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

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

| (a) Name and address of each person paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Total** number of others receiving over $50,000 for professional services ▶ 0

**Part IX-A** **Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc | Expenses |
|---|---|
| 1 N/A | |
| 2 | |
| 3 | |
| 4 | |

**Part IX-B** **Summary of Program-Related Investments**

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
|---|---|
| 1 N/A | |
| 2 | |
| All other program-related investments See instructions | |
| 3 | |
| **Total.** Add lines 1 through 3 ▶ | 0. |

Form **990-PF** (2010)

023561
12-07-10



09520923 794445 51-0065-05.0 2010.04020 THE M.S. GRUMBACHER FOUNDAT 51-00651

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

| | | | | |
|---|---|---|---|---|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes | | | |
| a | Average monthly fair market value of securities | | 1a | 5,777,581. |
| b | Average of monthly cash balances | | 1b | 132,555. |
| c | Fair market value of all other assets | | 1c | |
| d | **Total** (add lines 1a, b, and c) | | 1d | 5,910,136. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e 0. | | |
| 2 | Acquisition indebtedness applicable to line 1 assets | | 2 | 0. |
| 3 | Subtract line 2 from line 1d | | 3 | 5,910,136. |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions) | | 4 | 88,652. |
| 5 | **Net value of noncharitable-use assets** Subtract line 4 from line 3 Enter here and on Part V, line 4 | | 5 | 5,821,484. |
| 6 | **Minimum investment return** Enter 5% of line 5 | | 6 | 291,074. |

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part )

| | | | | | |
|---|---|---|---|---|---|
| 1 | Minimum investment return from Part X, line 6 | | | 1 | 291,074. |
| 2a | Tax on investment income for 2010 from Part VI, line 5 | 2a | 6,887. | | |
| b | Income tax for 2010 (This does not include the tax from Part VI ) | 2b | | | |
| c | Add lines 2a and 2b | | | 2c | 6,887. |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1 | | | 3 | 284,187. |
| 4 | Recoveries of amounts treated as qualifying distributions | | | 4 | 0. |
| 5 | Add lines 3 and 4 | | | 5 | 284,187. |
| 6 | Deduction from distributable amount (see instructions) | | | 6 | 0. |
| 7 | **Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | | | 7 | 284,187. |

**Part XII Qualifying Distributions** (see instructions)

| | | | |
|---|---|---|---|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes | | |
| a | Expenses, contributions, gifts, etc - total from Part I, column (d), line 26 | 1a | 284,084. |
| b | Program-related investments - total from Part IX-B | 1b | 0. |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes | 2 | |
| 3 | Amounts set aside for specific charitable projects that satisfy the | | |
| a | Suitability test (prior IRS approval required) | 3a | |
| b | Cash distribution test (attach the required schedule) | 3b | |
| 4 | **Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 284,084. |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b | 5 | 0. |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 284,084. |

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

**Part XIII Undistributed Income** (see instructions)

| | (a) Corpus | (b) Years prior to 2009 | (c) 2009 | (d) 2010 |
|---|---|---|---|---|
| 1 Distributable amount for 2010 from Part XI, line 7 | | | | 284,187. |
| 2 Undistributed income, if any, as of the end of 2010 | | | | |
| a Enter amount for 2009 only | | | 265,552. | |
| b Total for prior years | | 0. | | |
| 3 Excess distributions carryover, if any, to 2010 | | | | |
| a From 2005 | | | | |
| b From 2006 | | | | |
| c From 2007 | | | | |
| d From 2008 | | | | |
| e From 2009 | | | | |
| f **Total** of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 284,084. | | | | |
| a Applied to 2009, but not more than line 2a | | | 265,552. | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0. | | | |
| d Applied to 2010 distributable amount | | | | 18,532. |
| e Remaining amount distributed out of corpus | 0. | | | |
| 5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).) | 0. | | | 0. |
| 6 **Enter the net total of each column as indicated below** | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 0. | | | |
| b Prior years' undistributed income Subtract line 4b from line 2b | | 0. | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | 0. | | |
| d Subtract line 6c from line 6b Taxable amount - see instructions | | 0. | | |
| e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr | | | 0. | |
| f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011 | | | | 265,655. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 2005 not applied on line 5 or line 7 | 0. | | | |
| 9 **Excess distributions carryover to 2011** Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2006 | | | | |
| b Excess from 2007 | | | | |
| c Excess from 2008 | | | | |
| d Excess from 2009 | | | | |
| e Excess from 2010 | | | | |

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

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

| 2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | Tax year (a) 2010 | Prior 3 years (b) 2009 | (c) 2008 | (d) 2007 | (e) Total |
|---|---|---|---|---|---|
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

**Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)**

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2) )

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

DAVID GLYN, 215-665-4117
C/O COZEN O'CONNOR 1900 MARKET STREET, PHILADELPHIA, PA 19103

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

IN LETTER FORM WITH ALL PERTINENT INFORMATION FURNISHED/INCLUDED

c Any submission deadlines

NOVEMBER 1 TO APRIL 30

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

LIMITED PRINCIPALLY TO THE YORK, PA AREA AND THE STATE OF PENNSYLVANIA

**Part XV Supplementary Information** (continued)

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

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|---|---|---|
| a *Paid during the year* | | | | |
| SEE SCHEDULE ATTACHED | | | | 265,750. |
| **Total** | | | ▶ 3a | 265,750. |
| b *Approved for future payment* | | | | |
| NONE | | | | |
| **Total** | | | ▶ 3b | 0. |

## Part XVI-A Analysis of Income-Producing Activities

| Enter gross amounts unless otherwise indicated | Unrelated business income (a) Business code | Unrelated business income (b) Amount | Excluded by section 512, 513, or 514 (c) Exclusion code | Excluded by section 512, 513, or 514 (d) Amount | (e) Related or exempt function income |
|---|---|---|---|---|---|
| 1 Program service revenue | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | 14 | 2. | |
| 4 Dividends and interest from securities | | | 14 | 205,411. | |
| 5 Net rental income or (loss) from real estate | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | | | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | 176,916. | |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory | | | | | |
| 11 Other revenue | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 12 Subtotal Add columns (b), (d), and (e) | | 0. | | 382,329. | 0. |
| 13 Total Add line 12, columns (b), (d), and (e) | | | | | 13 382,329. |

(See worksheet in line 13 instructions to verify calculations )

## Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

| Line No ▼ | Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) |
|---|---|

**Part XVII** **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of | | | |
| | (1) Cash | 1a(1) | | X |
| | (2) Other assets | 1a(2) | | X |
| b | Other transactions | | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | | X |
| | (4) Reimbursement arrangements | 1b(4) | | X |
| | (5) Loans or loan guarantees | 1b(5) | | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | | X |

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

| (a) Line no | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|---|---|---|---|
| | | N/A | |

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

b If "Yes," complete the following schedule

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

**Sign Here**

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

▶ Signature of officer or trustee Trustee Date 9/29/2011 ▶ Title

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self- employed | PTIN |
|---|---|---|---|---|
| JONATHAN HOFFMAN | | 9/27/11 | | |

Firm's name ▶ ISDANER & COMPANY, LLC Firm's EIN ▶

Firm's address ▶ THREE BALA PLAZA, SUITE 501 WEST BALA CYNWYD, PA 19004-3484 Phone no (610) 668-4200

Form **990-PF** (2010)

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

| SOURCE | AMOUNT |
|---|---|
| CUSTODY ACCOUNT - COZEN O'CONNOR | 2. |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 2. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|---|---|---|---|
| CUSTODY ACCOUNT - COZEN O'CONNOR | 205,411. | 0. | 205,411. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 205,411. | 0. | 205,411. |

FORM 990-PF LEGAL FEES STATEMENT 3

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| COZEN O'CONNOR | 9,604. | 4,802. | | 4,802. |
| TO FM 990-PF, PG 1, LN 16A | 9,604. | 4,802. | | 4,802. |

FORM 990-PF ACCOUNTING FEES STATEMENT 4

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| ISDANER & CO, LLC | 2,150. | 1,075. | | 1,075. |
| TO FORM 990-PF, PG 1, LN 16B | 2,150. | 1,075. | | 1,075. |

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| PNC ADVISORS | 19,297. | 19,297. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 19,297. | 19,297. | | 0. |

FORM 990-PF TAXES STATEMENT 6

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| EXCISE TAX | 4,148. | 0. | | 0. |
| FOREIGN TAX | 339. | 339. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 4,487. | 339. | | 0. |

FORM 990-PF OTHER EXPENSES STATEMENT 7

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| BANK CHARGES | 615. | 308. | | 307. |
| TO FORM 990-PF, PG 1, LN 23 | 615. | 308. | | 307. |

FORM 990-PF CORPORATE STOCK STATEMENT 8

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| SEE SCHEDULE ATTACHED | 2,458,356. | 3,937,587. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 2,458,356. | 3,937,587. |

FORM 990-PF CORPORATE BONDS STATEMENT 9

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| SEE SCHEDULE ATTACHED | 1,580,703. | 1,607,826. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 1,580,703. | 1,607,826. |

FORM 990-PF OTHER LIABILITIES STATEMENT 10

| DESCRIPTION | BOY AMOUNT | EOY AMOUNT |
|---|---|---|
| PAYABLE FOR SECURITIES PURCHASED | 77,718. | 0. |
| TOTAL TO FORM 990-PF, PART II, LINE 22 | 77,718. | 0. |

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 11

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN-SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|---|---|---|---|
| JOSHUA G. SCHULTZ<br>SEBASTOPOL, CA | PRESIDENT<br>0.00 | 13,800. | 0. | 0. |
| MARY JO GRUMBACHER<br>SAN FRANCISCO, CA | DIRECTOR<br>0.00 | 3,000. | 0. | 0. |
| JEANNE SCHWARTZER<br>YORK, PA | DIRECTOR<br>0.00 | 1,500. | 0. | 0. |
| DAVID R. GLYN<br>PHILADELPHIA, PA | DIRECTOR<br>0.00 | 3,000. | 0. | 0. |
| SUSAN GREGORY<br>MALIBU, CA | DIRECTOR<br>0.00 | 3,000. | 0. | 0. |
| TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII | | 24,300. | 0. | 0. |

The M.S. Grumbacher Foundation
EIN. 23-2697348
990-PF, Part II, Line 10b

Corporate Stock

| Valuation Metho for Book Value | Description of Investment | Ending Book Balance | FMV at Year-End |
|---|---|---|---|
| cost | AT&T Inc - 5,910 shs | 70,000 00 | 171,626 40 |
| cost | Automatic Data Processing, Inc - 2,000 shs | 12,261 17 | 97,360 00 |
| cost | Bank New York Mellon Corp - 1000 shs | 29,118 00 | 20,210 00 |
| cost | Blackrock Global Allocation Fund - 1761 45 shs | 35,000 00 | 33,344 25 |
| cost | Centerpoint Energy Inc Holding Co - 8,000 shs | 100,061 20 | 156,400 00 |
| cost | Chevron Corp - 2,998 shs | 64,354 69 | 290,356 30 |
| cost | Cisco Systems Inc - 5,000 shs | 95,580 00 | 76,600 00 |
| cost | Coca-Cola Co, Inc - 1,850 shs | 8,602 50 | 126,725 00 |
| cost | Colgate - Palmolive Co - 1,400 shs | 26,547 50 | 122,976 00 |
| cost | Diamond Hill Long-Short Fund - 3456 211 shs | 60,000 00 | 55,057 44 |
| cost | Walt Disney Corp - 1,800 shs | 40,270 20 | 58,320 00 |
| cost | Dominion Resources Ser A Pfd 8 375% - 800 shs | 22,489 04 | 23,064 00 |
| cost | Dupont E I De Nemours & Co - 1,000 shs | 54,037 50 | 46,090 00 |
| cost | Eaton Vance Global Macro Absolute Return Fund - 9794 404 shs | 100,000 00 | 98,825 53 |
| cost | Exxon Mobil Corp - 2,000 shs | 31,331 67 | 145,280 00 |
| cost | Fleet Capital Trust VIII 7 2% Pfd - 2,000 shs | 41,487 20 | 48,000 00 |
| cost | General Electric Capital Corp Pfd 6 05% - 900 shs | 22,553 02 | 22,770 00 |
| cost | General Electric Co - 4,500 shs | 15,403 12 | 69,930 00 |
| cost | Glaxo Holding PLC - 450 shs | 21,546 50 | 18,859 50 |
| cost | Goldman Sachs Group Pdf Ser B 6 2% - 900 shs | 23,175 01 | 22,437 00 |
| cost | Hewlett Packward Co - 2,600 shs | 20,093 84 | 64,532 00 |
| cost | Ishares MSCI Pacific Ex-Japan Index Fund - 800 shs | 37,592 15 | 34,488 00 |
| cost | Ishares MSCI Emerging Markets Index Fund - 250 shs | 11,532 25 | 10,130 00 |
| cost | Ishares Trust S&P Latin America 40 Index Fund - 500 shs | 26,905 00 | 22,280 00 |
| cost | Ishares MSCI EAFE Index Fund - 1200 shs | 70,236 50 | 62,028 00 |
| cost | Ishares S&P Small Cap 600 Index Fund - 500 shs | 34,090 00 | 31,170 00 |
| cost | Illinois Tool Works Inc - 1,700 shs | 28,198 75 | 76,143 00 |
| cost | Intel Corp - 3,500 shs | 90,871 25 | 69,195 00 |
| cost | International Business Machines Corp - 600 shs | 53,014 00 | 101,484 00 |
| cost | Ivy Global Natural Resources Fund - 4164 148 shs | 100,000 00 | 78,452 55 |
| cost | JP Morgan Chase & Co - 1,300 shs | 48,626 50 | 47,073 00 |
| cost | Johnson & Johnson - 2,100 shs | 25,423 12 | 134,988 00 |
| cost | Legg Mason Batterymarch Emerging Markets Trust - 1196 172 shs | 25,000 00 | 24,760 76 |
| cost | McDonalds Corp - 1,300 shs | 36,302 50 | 116,909 00 |
| cost | Merck & Co, Inc - 2,000 shs | 51,658 04 | 63,840 00 |
| cost | Microsoft Corp - 2,500 shs | 66,700 00 | 63,125 00 |
| cost | Midcap SPDR Trust Series 1 ETF | 65,402 00 | 60,760 00 |
| cost | Nextera Energy, Inc - 1,800 shs | 53,784 00 | 99,738 00 |
| cost | Nextera Energy, Inc Conv Pfd 8 375% - 500 shs | 25,135 00 | 25,825 00 |
| cost | Oracle System Corporation - 2,000 shs | 67,687 50 | 53,300 00 |
| cost | PNC Bank Corp - 700 shs | 48,541 00 | 32,788 00 |
| cost | Pepsico, Inc - 1,700 shs | 84,853 48 | 107,372 00 |
| cost | Pfizer, Inc - 5,585 shs | 35,702 32 | 101,702 85 |
| cost | Pimco Commidity Real Return Fund - 10828 737 shs | 105,808 89 | 97,675 21 |
| cost | Praxair Inc Common - 1,200 shs | 34,542 84 | 113,268 00 |
| cost | Price Group Inc - 2,000 shs | 34,875 00 | 101,380 00 |
| cost | Proctor Gamble Co - 1,900 shs | 61,263 86 | 118,883 00 |
| cost | Teva Pharmaceutical Industries ADR - 2,600 shs | 44,343 00 | 102,492 00 |
| cost | USB Capital XI Pfd Secs 6 6% - 900 shs | 22,483 00 | 22,878 00 |
| cost | U S Bancorp Del Common New - 3,000 shs | 84,013 00 | 67,260 00 |
| cost | Verizon Communications Inc - 2,720 shs | 62,728 84 | 97,267 00 |
| cost | Wells Fargo VIII TRUPS 6 625% | 27,130 00 | 30,168 00 |
| **Total** | | **2,458,355.95** | **3,937,586.79** |

The M.S. Grumbacher Foundation
EIN: 23-2697348
990-PF, Part II, Line 10c

Corporate Bonds

| Valuation Method for Book Value | Description of Investment | Ending Book Balance | FMV at Year-End |
|---|---|---|---|
| cost | Alabama Power 3 375% 10/1/20 | 47,373 50 | 49,694 35 |
| cost | American Express Credit Corp 5 7% 9/15/11 Internotes | 100,000 00 | 100,602 00 |
| cost | American Express Credit Corp 6 25% 9/15/13 Internotes | 100,000 00 | 108,471 30 |
| cost | BP Capital Mkts PLC Gtd Sr Nt 5 25% 11/7/13 | 104,202 00 | 108,668 20 |
| cost | Baird Aggregate Bond Fund | 75,000 00 | 75,032 09 |
| cost | Blackrock High Yield Bond Portfolio | 100,000 00 | 97,934 74 |
| cost | Burlington Northern 4 7% 10/1/19 | 52,178 00 | 54,510 75 |
| cost | Campbell Soup 4 5% 2/15/19 | 51,885 00 | 54,170 35 |
| cost | Caterpillar Financial Services 5 85% 9/1/17 | 56,437 50 | 59,147 80 |
| cost | Chevron Corp Sr Nt 4 5% 3/3/12 | 78,263 25 | 76,192 50 |
| cost | Citigroup Inc 5 3% 10/17/12 | 79,483 50 | 78,506 93 |
| cost | Eaton Vance Floating Rate Fund - 2197 801 shs | 20,000 00 | 18,835 15 |
| cost | Fidelity Advisor Adv Floating High Yield Income Fund | 75,000 00 | 77,725 63 |
| cost | GE Capital 5 25% 9/15/16 Internotes | 100,000 00 | 107,720 30 |
| cost | Ishares Barlclays 1-3 Year Treasury Bond Fund | 84,330 00 | 84,710 00 |
| cost | Ishares Barlclays 1-3 Year Credit Bond Fund ETF | 52,430 00 | 52,260 00 |
| cost | Eli Lilly & Co. 3.55% 3/6/12 | 52,723 80 | 50,950 05 |
| cost | Merrill Lynch 5% 2/3/14 | 52,610 00 | 53,261 60 |
| cost | Morgan Stanley Var% 3/1/16 | 48,937 50 | 50,727 50 |
| cost | Morgan Stanley Sr 4.2% 11/20/14 | 103,093 00 | 103,960 30 |
| cost | PNC Ultra Short Term Bond Fund | 20,000 00 | 19,980 00 |
| cost | Payden Short Term Bond Fund | 50,110 24 | 49,182 75 |
| cost | Pimco Foreign Bond Fund | 25,000 00 | 25,094 43 |
| cost | T Rowe Price High Yield Fund Inc | 51,645 21 | 50,487 25 |
| **Total** | | **1,580,702.50** | **1,607,825.97** |

**The M.S. Grumbacher Foundation**
**EIN: 23-2697348**
**Form 990-PF, Part XV**
**Grants & Contributions Paid**

| Name & Address | Relationship | Status | Purpose | Amount |
|---|---|---|---|---|
| Alzheimer's Association-Greater Pennsylvania Chapter<br>Harrisburg PA | None | | General Fund | $40.000 00 |
| Alzheimer's Association<br>Washington, DC | None | | General Fund | $10,000 00 |
| American Civil Liberties Union<br>Philadelphia, PA | None | | General Fund | $5,000 00 |
| American Red Cross<br>York, PA | None | | General Fund | $3,000 00 |
| Cultural Alliance of York County<br>York, PA | None | | General Fund | $10,000 00 |
| Doctors Without Borders USA, Inc<br>New York, NY | None | | General Fund | $2,000 00 |
| Economics Pennsylvania<br>Selinsgrove, PA | None | | General Fund | $2,000 00 |
| Main Idea<br>Charlottesville, VA | None | | General Fund | $5,000.00 |
| Martin Library Association<br>York, PA | None | | General Fund | $5,000.00 |
| Memorial Hospital<br>York, PA | None | | General Fund | $2,250 00 |
| Mercersburg Academy<br>Mercersburg, PA | None | | General Fund | $6,000 00 |
| NAACP - York, PA<br>York, PA | None | | General Fund | $1.000 00 |
| National Arbor Day Foundation<br>Nebraska City, NE | None | | General Fund | $2,000 00 |
| Nature Conservancy<br>Arlington, VA | None | | General Fund | $2,000 00 |
| Oxfam America<br>Boston, MA | None | | General Fund | $8,000 00 |
| Penn State York<br>York, PA | None | | General Fund | $27,000 00 |
| Simon Wiesenthal Center<br>Los Angeles, CA | None | | General Fund | $500.00 |
| Strand- Capitol Performing Arts Center<br>York, PA | None | | General Fund | $500 00 |

**The M.S. Grumbacher Foundation**
**EIN: 23-2697348**
**Form 990-PF, Part XV**
**Grants & Contributions Paid**

| Name & Address | Relationship | Status | Purpose | Amount |
|---|---|---|---|---|
| WITF<br>Harrisburg, PA | None | | General Fund | $5,000 00 |
| Well-Formula Program<br>York, PA | None | | General Fund | $2,000 00 |
| Wyoming Seminary<br>Kingston, PA | None | | General Fund | $2,000 00 |
| York Audubon Society<br>York, PA | None | | General Fund | $1,000 00 |
| York City Little League<br>York, PA | None | | General Fund | $5,000 00 |
| York College<br>York, PA | None | | General Fund | $5,000 00 |
| York County Community Foundation<br>York, PA | None | | General Fund | $38,000 00 |
| York County Council of Churches<br>York, PA | None | | General Fund | $3,000 00 |
| York County Literacy Council<br>York, PA | None | | General Fund | $2,000 00 |
| York County Trail Authority<br>York, PA | None | | General Fund | $8,000 00 |
| York Health Foundation<br>York, PA | None | | General Fund | $20,000 00 |
| York Jewish Community Center<br>Philadelphia, PA | None | | General Fund | $6,000 00 |
| York Y M.C A.<br>York, PA | None | | General Fund | $12,500 00 |
| York Y W.C A<br>York, PA | None | | General Fund | $25,000 00 |
| **Total** | | | | $265,750 00 |

## SCHEDULE OF CAPITAL GAINS AND LOSSES

| CUSIP | TRANSACTION DESCRIPTION | DATE ACQ. | DATE SOLD | UNITS | PROCEEDS | COST | SHORT TERM GAIN/LOSS | LONG TERM GAIN/LOSS |
|---|---|---|---|---|---|---|---|---|
| CAPITAL GAINS/LOSSES | | | | | | | | |
| 912795UH2 | SOLD 41,000 PV 9/1/2010 US TREASURY BILLS DUE 10/21/2010 DT 102209-102110 | | | | | | | |
| | | 7/19/2010 | 9/1/2010 | (41,000 0000) | $40,983 94 | ($40,983 94) | | |
| 172967101 | SALE OF ASSET CITIGROUP INC | | | | | | | |
| | | 6/13/1995 | 9/21/2010 | (3,749 0000) | $14,864 53 | ($38,594.53) | | ($23,730 00) |
| 194162103 | SALE OF ASSET COLGATE-PALMOLIVE CO. | | | | | | | |
| | | 6/13/1995 | 9/21/2010 | (300.0000) | $23,585 60 | ($5,688 75) | | $17,896 85 |
| 478160104 | SALE OF ASSET JOHNSON & JOHNSON | | | | | | | |
| | | 3/13/1992 | 9/21/2010 | (300 0000) | $18,602 68 | ($3,631 88) | | $14,970 80 |
| 580135101 | SALE OF ASSET MC DONALDS CORP | | | | | | | |
| | | 10/5/2004 | 9/21/2010 | (400.0000) | $30,176 48 | ($11,170 00) | | $19,006 48 |
| 713448108 | SALE OF ASSET PEPSICO, INC | | | | | | | |
| | | 1/13/2004 | 9/21/2010 | (200 0000) | $13,243 78 | ($9,164 00) | | $4,079 78 |
| | | 1/13/2004 | 9/21/2010 | (200.0000) | $13,243 77 | ($9,157 54) | | $4,086 23 |
| 74005P104 | SALE OF ASSET PRAXAIR INC COMMON | | | | | | | |
| | | 3/25/2003 | 9/21/2010 | (200.0000) | $17,575 70 | ($5,757 14) | | $11,818 56 |
| 881624209 | SALE OF ASSET TEVA PHARMACEUTICAL INDUSTRIES ADR | | | | | | | |
| | | 8/6/2001 | 9/21/2010 | (200 0000) | $11,067 81 | ($3,411 00) | | $7,656.81 |
| 912795U90 | ASSET MATURED US TREASURY BILLS DUE 9/23/2010 | | | | | | | |
| | | 6/21/2010 | 9/23/2010 | (25,000.0000) | $24,992 73 | ($24,992 73) | | |
| 912795UH2 | SOLD 20,000 PV 9/20/10 US TREASURY BILLS DUE 10/21/2010 DT 102209-102110 | | | | | | | |
| | | 7/19/2010 | 9/20/2010 | (20,000 0000) | $19,992 16 | ($19,992 16) | | |
| 053015103 | SALE OF ASSET AUTOMATIC DATA PROCESSING, INC | | | | | | | |
| | | 11/29/1990 | 10/20/2010 | (400 0000) | $17,279 70 | ($2,452 23) | | $14,827 47 |
| 060505104 | SALE OF ASSET BANK OF AMERICA CORP (NEW) | | | | | | | |
| | | 5/8/1998 | 10/20/2010 | (600.0000) | $7,032 18 | ($22,362 91) | | ($15,330 73) |
| 191216100 | SALE OF ASSET COCA-COLA CO, INC | | | | | | | |
| | | 5/31/1988 | 10/20/2010 | (400 0000) | $24,527 98 | ($1,860 00) | | $22,667 98 |
| 452308109 | SALE OF ASSET ILLINOIS TOOL WORKS INC | | | | | | | |
| | | 6/24/1996 | 10/20/2010 | (400 0000) | $18,644 08 | ($6,635 00) | | $12,009 08 |
| 478160104 | SALE OF ASSET JOHNSON & JOHNSON | | | | | | | |
| | | 3/13/1992 | 10/20/2010 | (400 0000) | $25,495 96 | ($4,842 50) | | $20,653 46 |
| 580135101 | SALE OF ASSET MC DONALDS CORP | | | | | | | |
| | | 10/5/2004 | 10/20/2010 | (300 0000) | $23,311 70 | ($8,377 50) | | $14,934 20 |
| 717081103 | SALE OF ASSET PFIZER,INC | | | | | | | |
| | | 6/13/1995 | 10/20/2010 | (500 0000) | $8,830 10 | ($2,537 12) | | $6,292 98 |
| 912795UH2 | ASSET MATURED US TREASURY BILLS DUE 10/21/2010 DT 102209-102110 | | | | | | | |
| | | 7/19/2010 | 10/21/2010 | (239,000 0000) | $238,906 36 | ($238,906 36) | | |

# Tax Worksheet

Account. 51006505
M.J GRUMBACHER, S.GREGORY,
From 9/1/2010 To 8/31/2011
Tax ID: XX-XXX7348

COZEN O'CONNOR.

| CUSIP | TRANSACTION DESCRIPTION | DATE ACQ. | DATE SOLD | UNITS | PROCEEDS | COST | SHORT TERM GAIN/LOSS | LONG TERM GAIN/LOSS |
|---|---|---|---|---|---|---|---|---|
| CAPITAL GAINS/LOSSES CONTINUED | | | | | | | | |
| 912795W56 | ASSET MATURED US TREASURY BILLS DUE 11/4/2010 DT 050610-110410 | | | | | | | |
| | | 8/2/2010 | 11/4/2010 | (100,000 0000) | $99,960 82 | ($99,960 82) | | |
| 912795X89 | SOLD 100,000 PV 11/8/2010 US TREASURY BILLS DUE 1/20/11 | | | | | | | |
| | | 10/18/2010 | 11/4/2010 | (100,000 0000) | $99,965 88 | ($99,964 97) | $0 91 | |
| 912795X48 | SOLD 25,000 PV 11/10/2010 US TREASURY BILLS DUE 12/23/10 | | | | | | | |
| | | 9/20/2010 | 11/10/2010 | (25,000.0000) | $24,989 89 | ($24,989.89) | | |
| 031162100 | SALE OF ASSET AMGEN COM. | | | | | | | |
| | | 4/15/2005 | 12/17/2010 | (1,500.0000) | $85,774 54 | ($89,935 00) | | ($4,160 46) |
| 060505104 | SALE OF ASSET BANK OF AMERICA CORP (NEW) | | | | | | | |
| | | 1/13/1998 | 12/17/2010 | (1,696 0000) | $21,267 47 | ($49,299 93) | | ($28,032 46) |
| | | 5/8/1998 | 12/17/2010 | (898 0000) | $11,260 73 | ($33,469 82) | | ($22,209 09) |
| 126650100 | SALE OF ASSET CVS CORPORATION DELAWARE | | | | | | | |
| | | 8/12/2009 | 12/17/2010 | (2,000 0000) | $68,718 83 | ($70,451 00) | | ($1,732 17) |
| 166764100 | SALE OF ASSET CHEVRON CORP | | | | | | | |
| | | 11/23/1993 | 12/17/2010 | (50 0000) | $4,418 92 | ($1,127 81) | | $3,291 11 |
| | | 8/27/1996 | 12/17/2010 | (150 0000) | $13,256 78 | ($4,498 13) | | $8,758 65 |
| 428236103 | SALE OF ASSET HEWLETT-PACKARD CO | | | | | | | |
| | | 7/14/1993 | 12/17/2010 | (400 0000) | $16,767 71 | ($3,091 36) | | $13,676 35 |
| 922031760 | SALE OF ASSET VANGUARD FIXED INCOME SECS FD HIGH YIELD CORP FD ADMIRAL FD#529 | | | | | | | |
| | | 4/16/2003 | 12/15/2010 | (23,132.6360) | $131,162 05 | ($140,646 43) | | ($9,484 38) |
| 912795X89 | SOLD 139,000 PV 12/21/2010 US TREASURY BILLS DUE 1/20/11 | | | | | | | |
| | | 10/18/2010 | 12/21/2010 | (139,000 0000) | $138,951.30 | ($138,951 30) | | |
| 912795Y21 | ASSET MATURED US TREASURY BILLS DUE 2/3/2011 | | | | | | | |
| | | 11/1/2010 | 2/3/2011 | (100,000.0000) | $99,968.40 | ($99,968 40) | | |
| 053015103 | SALE OF ASSET AUTOMATIC DATA PROCESSING, INC | | | | | | | |
| | | 11/29/1990 | 2/15/2011 | (300.0000) | $14,804 71 | ($1,839 18) | | $12,965 53 |
| 166764100 | SALE OF ASSET CHEVRON CORP | | | | | | | |
| | | 11/23/1993 | 2/15/2011 | (300.0000) | $28,763 44 | ($6,766 88) | | $21,996 56 |
| 30231G102 | SALE OF ASSET EXXON MOBIL CORP | | | | | | | |
| | | 8/27/1996 | 2/15/2011 | (200 0000) | $16,553 68 | ($4,117 50) | | $12,436 18 |
| 464287234 | SALE OF ASSET I SHARES TRUST MSCI MSCI EMERGING MKTS INDEX FD | | | | | | | |

# Tax Worksheet

Account: 51006505
M.J.GRUMBACHER, S.GREGORY,
From 9/1/2010 To 8/31/2011
Tax ID: XX-XXX7348

COZEN O'CONNOR.

| CUSIP | TRANSACTION DESCRIPTION | DATE ACQ. | DATE SOLD | UNITS | PROCEEDS | COST | SHORT TERM GAIN/LOSS | LONG TERM GAIN/LOSS |
|---|---|---|---|---|---|---|---|---|
| **CAPITAL GAINS/LOSSES CONTINUED** | | | | | | | | |
| | | 10/20/2010 | 2/15/2011 | (250 0000) | $11,349 78 | ($11,532 25) | ($182 47) | |
| 26054LEY5 | ASSET CALLED DOW CHEMICAL CO 5 85% DUE 9/15/2015 SENIOR INTERNOTES | | | | | | | |
| | | 9/8/2008 | 3/16/2011 | (100,000 0000) | $100,000 00 | ($100,000 00) | | |
| 741481105 | SALE OF ASSET T ROWE PRICE HIGH YIELD FUND, INC FUND#57 | | | | | | | |
| | | 12/15/2010 | 5/5/2011 | (7,153 0760) | $50,000 00 | ($48,354 79) | $1,645 21 | |
| 053015103 | SALE OF ASSET AUTOMATIC DATA PROCESSING, INC | | | | | | | |
| | | 11/29/1990 | 5/20/2011 | (300 0000) | $16,217 68 | ($1,839 17) | | $14,378 51 |
| 30231G102 | SALE OF ASSET EXXON MOBIL CORP | | | | | | | |
| | | 6/29/1994 | 5/20/2011 | (112 2400) | $9,119 32 | ($1,758 33) | | $7,360 99 |
| | | 8/27/1996 | 5/20/2011 | (287 7600) | $23,380 05 | ($5,924 26) | | $17,455 79 |
| 37733W105 | SALE OF ASSET GLAXO HOLDINGS PLC (GLAXO SMITHKLINE ADR) | | | | | | | |
| | | 4/15/2005 | 5/20/2011 | (450 0000) | $19,453 12 | ($21,546 50) | | ($2,093 38) |
| 452308109 | SALE OF ASSET ILLINOIS TOOL WORKS INC | | | | | | | |
| | | 6/24/1996 | 5/20/2011 | (300 0000) | $17,170 68 | ($4,976 25) | | $12,194 43 |
| 717081103 | SALE OF ASSET PFIZER,INC | | | | | | | |
| | | 10/16/2009 | 5/20/2011 | (400 0000) | $8,315 84 | ($7,064 00) | | $1,251 84 |
| 892332AQ0 | ASSET MATURED TOYOTO MOTOR CREDIT CORP 5 45% 05/18/11 | | | | | | | |
| | | 8/19/2010 | 5/18/2011 | (75,000 0000) | $75,000 00 | ($77,718 00) | ($2,718 00) | |
| 949746101 | SALE OF ASSET WELLS FARGO & CO (NEW) | | | | | | | |
| | | 5/20/1997 | 5/20/2011 | (98 0000) | $2,782 16 | ($14,514 19) | | ($11,732 03) |
| 88732J207 | SALE OF ASSET TIME WARNER CABLE INC | | | | | | | |
| | | 10/5/2004 | 8/30/2011 | (0 5050) | $32 99 | ($24 94) | | $8 05 |
| | **TOTAL CAPITAL GAINS/LOSSES** | | | | **$1,801,764.01** | **($1,624,848.39)** | **($1,254.35)** | **$178,169.97** |

$176,915.62