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

Department of the Treasury
Internal Revenue Service

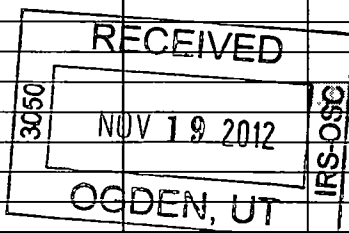
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2011

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation Highstead Foundation, Inc.		A Employer identification number 06-1108612
Number and street (or P O box number if mail is not delivered to street address) PO Box 1097	Room/suite	B Telephone number (see instructions) 203-938-8809
City or town, state, and ZIP code Redding, CT 06875		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,451,480	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1,082,743.73			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	190.70	190.70	190.70	
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	152,420.93			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		152,420.93		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	1,235,355.36	152,611.63	190.70		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	88,601.00			88,601.00
	14 Other employee salaries and wages	484,080.91			484,080.91
	15 Pension plans, employee benefits	92,594.67			92,594.67
	16a Legal fees (attach schedule)	116,674.12			116,674.12
	b Accounting fees (attach schedule)	16,869.18	843.46		16,025.72
	c Other professional fees (attach schedule)	27,056.12			27,056.12
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion	50,725.94			
	20 Occupancy				
	21 Travel, conferences, and meetings	14,830.34			14,830.34
	22 Printing and publications				
	23 Other expenses (attach schedule)	205,438.77			205,438.77
	24 Total operating and administrative expenses. Add lines 13 through 23	1,096,871.05	843.46		1,045,301.65
	25 Contributions, gifts, grants paid				
26 Total expenses and disbursements. Add lines 24 and 25	1,096,871.05	843.46		1,045,301.65	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	138,484.31				
b Net investment income (if negative, enter -0-)		151,768.17			
c Adjusted net income (if negative, enter -0-)			190.70		



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)		Beginning of year		End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing	103,127	95,591	95,591		
	2	Savings and temporary cash investments	141,268	97,451	97,451		
	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 (attach schedule) (see instructions)					
	7	Other notes and loans receivable (attach schedule) ▶					
		Less: allowance for doubtful accounts ▶					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges					
	10a	Investments—U.S. and state government obligations (attach schedule)					
	b	Investments—corporate stock (attach schedule)		109,650	109,650		
	c	Investments—corporate bonds (attach schedule)					
	11	Investments—land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach schedule) ▶						
12	Investments—mortgage loans						
13	Investments—other (attach schedule)						
14	Land, buildings, and equipment: basis ▶ 2,695,800						
	Less: accumulated depreciation (attach schedule) ▶ 546,652		2,199,874	2,149,148	2,149,148		
15	Other assets (describe ▶)						
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		2,444,269	2,451,840	2,451,840		
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe ▶)					
	23	Total liabilities (add lines 17 through 22)					
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds		2,444,269	2,451,840		
	30	Total net assets or fund balances (see instructions)		2,444,269	2,451,840		
31	Total liabilities and net assets/fund balances (see instructions)		2,444,269	2,451,840			

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	2,444,269
2	Enter amount from Part I, line 27a	2	138,484
3	Other increases not included in line 2 (itemize) ▶ Increase in Unrealized Appreciation of Investments	3	2,033
4	Add lines 1, 2, and 3	4	2,584,786
5	Decreases not included in line 2 (itemize) ▶ Excess of Capital Gain per 990-PF over Book Amount	5	132,946
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,451,840

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	2,000 Shs SM Energy Company	D	05-05-1955	04-04-2011
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 152,424.87		3.94	152,420.93	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	152,420.93
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8		3	-0-

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	824,276	-0-	1.0000
2009	794,765	-0-	1.0000
2008	1,688,020	-0-	1.0000
2007	663,012	-0-	1.0000
2006	433,099	-0-	1.0000

2	Total of line 1, column (d)	2	5.0000
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	1.0000
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	-0-
5	Multiply line 4 by line 3	5	-0-
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,518
7	Add lines 5 and 6	7	1,518
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	8	1,045,302

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,517	68
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	1,517	68
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	1,517	68
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
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	-0-	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,517	68
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 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		<input checked="" type="checkbox"/>
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		<input checked="" type="checkbox"/>
1c Did the foundation file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		<input checked="" type="checkbox"/>
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
4b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		<input checked="" type="checkbox"/>
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?	<input checked="" type="checkbox"/>	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	<input checked="" type="checkbox"/>	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Connecticut		
8b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation.</i>	<input checked="" type="checkbox"/>	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV.</i>	<input checked="" type="checkbox"/>	
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		<input checked="" type="checkbox"/>

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		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	✓	
14	The books are in care of ▶ <u>Highstead Foundation, Inc.</u> Telephone no. ▶ <u>203-938-8809</u> Located at ▶ <u>127 Lonetown Road, Redding, CT</u> ZIP+4 ▶ <u>06896</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	16	Yes	No ✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ▶ 20____, 20____, 20____, 20____ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	✓

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No

Organizations relying on a current notice regarding disaster assistance check here

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

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
William A. Toomey 7 Skytop Drive, Sandy Hook, CT 06482	Executive Director, 40 hours	78,942	4,427	-0-
William G. Labich 91 Wendell Road, Shutesbury, MA 01072	Conservationist, 40 hours	80,923	3,816	-0-
Edward K. Faison 34 Flirtation Avenue, New Preston, CT 06777	Ecologist, 40 hours	64,727	2,790	-0-
Kathleen Kitka 34 Hundred Acres Road, Newtown, CT 06470	Horticulturist, 40 hours	67,049	7,956	-0-
Darel Peck 1 Knoll Crest Road, New Fairfield, CT 06812	Groundskeeper, 40 hours	51,805	4,160	-0-
Total number of other employees paid over \$50,000				None

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Wofsey Rosen Kweskin & Kuriansky LLP 600 Summer Street, Stamford, CT 06901	Legal	115,024
.....		
.....		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services ▶		

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 Operation of Highstead Arboretum and various ecological and conservation activities (see attached).	1,045,302
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	None

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	221,847
b	Average of monthly cash balances	1b	109,444
c	Fair market value of all other assets (see instructions)	1c	-0-
d	Total (add lines 1a, b, and c)	1d	331,291
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	-0-
3	Subtract line 2 from line 1d	3	331,291
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	331,291
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	-0-
6	Minimum investment return. Enter 5% of line 5	6	-0-

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	
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	1,045,302
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	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-0-
b	Cash distribution test (attach the required schedule)	3b	-0-
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,045,302
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	1,518
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,043,784

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ _____				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

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

	Prior 3 years				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	-0-	-0-	-0-	-0-	-0-
b 85% of line 2a	-0-	-0-	-0-	-0-	-0-
c Qualifying distributions from Part XII, line 4 for each year listed	1,045,302	825,361	794,765	1,691,041	4,356,469
d Amounts included in line 2c not used directly for active conduct of exempt activities	-0-	-0-	-0-	-0-	-0-
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	1,045,302	825,361	794,765	1,691,041	4,356,469
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	-0-	-0-	-0-	-0-	-0-
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

James C. Dudley (Deceased, 9/98), Elisabeth C. Dudley, Henry C. Dudley

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.

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<p>a <i>Paid during the year</i></p> <p>None</p>				
<p>Total</p>			▶ 3a	-0-
<p>b <i>Approved for future payment</i></p> <p>None</p>				
<p>Total</p>			▶ 3b	-0-

Schedule of Contributors

2011

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

Name of the organization Highstead Foundation, Inc.	Employer identification number 06-1108612
---	---

Organization type (check one):

- | | |
|--------------------|--|
| Filers of: | Section: |
| Form 990 or 990-EZ | <input type="checkbox"/> 501(c)() (enter number) organization
<input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation
<input type="checkbox"/> 527 political organization |
| Form 990-PF | <input checked="" type="checkbox"/> 501(c)(3) exempt private foundation
<input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation
<input type="checkbox"/> 501(c)(3) taxable private foundation |

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

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

General Rule

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

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33¹/₃ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

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

Name of organization Highstead Foundation, Inc.	Employer identification number 06-1108612
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Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Henry C. Dudley ----- 1245 12th Street Place ----- Durango, CO 81301 -----	\$ 240,568	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	The Quercus Fund, Inc. ----- c/o Dudley & Shanley, LLC, 130 Maple Ave., Suite 6 ----- Red Bank, NJ 07701 -----	\$ 550,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	The Highstead Fund, Inc. ----- c/o Dudley & Shanley, LLC, 130 Maple Ave., Suite 6 ----- Red Bank, NJ 07701 -----	\$ 280,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization Highstead Foundation, Inc.	Employer identification number 06-1108612
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Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	2,000 Shs SM Energy Company ----- ----- -----	\$ 132,950	02-18-2011
1	1,500 Shs SM Energy Company ----- ----- -----	\$ 107,618	12-21-2011
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Highstead Foundation, Inc.
Profit & Loss
 January through December 2011

Highstead Foundation, Inc 06-1108612
 Form 990-PF, Part I
 Analysis of Revenue & Expenses

	Contributions Line 1	Interest Line 3	Net Gain Line 5a	Compensation of Director Line 13	Salaries & Wages Line 14	Pension & Benefits Line 15	Legal Line 16a	Accounting Line 16b	Other Fees Line 16c	Taxes Line 18	Depreciation Line 19	Travel Conf. Meet Line 21	Other Expense Line 23
Income													
6100 Contributions Received	331 23												
8110 Contributions-Quarcus Fund, Inc	550,000 00												
8120 Contributions-Hightstead Fund	280,000 00												
6130 Contributions-Members	11,845 00												
xxxx Contributions-Securities	240,567 50												
6400 Investment Income	2 62	2 62											
6420 Interest Income	188 08	188 08											
xxxx Realized Gain or Loss	19,474 87		19,474 87										
xxxx Change in Unrealized Gain or Loss	2,032 50		2,032 50										
Total Income	1,104,441 80	1,082,743 73	190 70										350 00
Expense													
6560 Payroll Expenses	350 00												
7000 Salaries & Wages					343,445 83								
7010 Full-time Staff					44,423 12								
7020 Part-time staff					21,468 18								
7040 Other wages													
Total 7000 Salaries & Wages	409,887 13												
7100 Fellows & Interns Salary					9,586 40								
7110 Conservation Intern Salary					10,009 90								
7120 Ecology Intern Salary					5,147 48								
7150 Communication Intern Salary					50,000 00								
7160 Senior Fellows					74,743 78								
Total 7100 Fellows & Interns Salary	31,823 89					31,823 89							
7200 Payroll Taxes & Insurance					2,457 08	2,457 08							
7210 Social Security & Medicare					7,508 70	7,508 70							
7220 Unemployment Insurance-CT					18,157 00								
7240 Workers' Compensation Ins					1,843 00								
7260 Insurance-Casualty & Liability													18,157 00
7270 Crime & Directors/Officer Ins													1,843 00
Total 7200 Payroll Taxes & Insurance	61,789 67												
7300 Employee Benefits													
7310 Health Insurance						40,925 95							
7317 Long-Term Disability						2,212 12							
7318 Hospital Deductable Reimburse						287 30							
7330 Flexible Spending						7,379 83							
Total 7300 Employee Benefits	50,805 00												
7400 Payroll Service Charges													2,082 84
7500 Director's Fee-Chairman					88,601 00								
7600 Board Reimbursement					9,360 00								
7700 Legal Fees					116,874 12		116,874 12						
7800 Accounting Fees					18,869 18			18,869 18					
7800 Other Fees (RCC Related)					15,760 49				15,760 49				
8000 Landscaps Costs													
8010 Equipment Repairs & Mtnce					3,628 11								3,628 11
8030 Gasoline & Diesel Fuel					1,292 28								1,292 28
8040 Materials & Supplies					1,602 89								1,602 89
8050 Contractors - Landscaps					595 00								595 00
Total 8000 Landscaps Costs	7,318 28												
8100 Horticultural Costs													936 68
8110 Plants													117 89
8120 Supplies & Materials													

Highstead Foundation, Inc.
Profit & Loss
 January through December 2011

Highstead Foundation, Inc 08-1108612
 Form 990-PF, Part I
 Analysis of Revenue & Expenses

	Contributions Line 1	Interest Line 3	Net Gain Line 6a	Compensation of Director Line 13	Salaries & Wages Line 14	Pension & Benefits Line 15	Legal Line 16a	Accounting Line 16b	Other Fees Line 16c	Taxes Line 18	Depreciation Line 19	Travel Conf. Meet Line 21	Other Expense Line 23
8130 Contractors-Horticultural													
8132 Tree Removal, Wood Chipping	3,885 00												3,885 00
8150 Interpretive Materials	16,145 00												16,145 00
8160 Deer Spraying	1,506 35												1,506 35
8132 Phragmites Treatment	450 00												450 00
Total 8100 - Horticultural Costs	<u>24,839 28</u>												<u>1,798 36</u>
8200 Research Costs													
8210 Materials & Supplies	987 51												987 51
8230 Contractors-Research	11,000 00								11,000 00				
8240 Meetings	280 24											280 24	
8250 Harvard Forest Office Usage	1,807 00												1,807 00
8260 HF Research Asst (Greta)	9,004 00												9,004 00
8270 Enclosures / Maintenance	5,080 89												5,080 89
8285 Umass PhD Program Costs	8,536 88												8,536 88
8280 Wildlife Camera (2)	914 96												914 96
Total 8200 Research Costs	<u>37,603 48</u>												<u>914 96</u>
8300 Travel													
8310 Conference Lodging	353 27											353 27	
8311 LTA Conference	955 35											955 35	
8320 Vehicle Mileage	8,886 84											8,886 84	
8340 Meat Allowance	955 00											955 00	
8350 Highstead Overnight	2,377 24											2,377 24	
8355 Harvard Forest Overnight	715 00											715 00	
8360 Conference Fees	178 00											178 00	
8360 Flight Expense	139 40											139 40	
Total 8300 Travel	<u>14,570 10</u>											<u>139 40</u>	<u>9,149 88</u>
8400 Other Program Costs													
8410 Speaker Honoraria	300 00											300 00	
8420 Speaker & Participant Travel	605 80											605 80	
8430 Photography	475 34											475 34	
8450 Newsletter	7,365 61											7,365 61	
8460 Advertising & Public Relations	250 35											250 35	
8480 Catering, Food, etc	1,108 32											1,108 32	
8490 Postage & Mail House Expenses	123 72											123 72	
8498 HF Support / Advise	10,000 00											10,000 00	
Total 8400 Other Program Costs	<u>20,229 14</u>											<u>10,000 00</u>	<u>10,000 00</u>
8500 Intern & Fellow Expenses													
8510 Cottage Rental	16,100 00												16,100 00
8540 Rental Utilities	878 68												878 68
8560 Sr. Fellows Expenses	10,715 88												10,715 88
8560 Sr. Fellow Fringe Benefits	15,000 00												15,000 00
Total 8500 Intern & Fellow Expenses	<u>42,694 56</u>												<u>15,000 00</u>
8600 Programs, Workshops & Meetings													
8605 LTA Seminar at Hartford Rally	50 00												50 00
8630 Conservation Tools Workshop	1,298 50												1,298 50
8645 Printing & Outreach	2,629 60												2,629 60
8687 R. Partnership Coord Training	1,439 85												1,439 85
8680 Conservation Policy Summit	200 00												200 00
8689 Landscape Practitioners Meet	10,000 00												10,000 00
Total 8600 Programs, Workshops & Meetings	<u>15,618 95</u>												<u>10,000 00</u>
9000 Other Operating Costs													
9010 Subscriptions	189 00												189 00

Highstead Foundation, Inc.
Profit & Loss
 January through December 2011

Highstead Foundation, Inc 08-1108812
 Form 990-PF, Part I
 Analysis of Revenue & Expenses

	Contributions Line 1	Interest Line 3	Net Gain Line 8a	Compensation of Director Line 13	Salaries & Wages Line 14	Pension & Benefits Line 15	Legal Line 16a	Accounting Line 16b	Other Fees Line 16c	Taxes Line 18	Depreciation Line 19	Travel Conf. Meet Line 21	Other Expense Line 23
Totals	170 95												1,870 00
9020 - Library	1,670 00												883 00
9030 - Memberships & Dues	863 00												2,013 56
9040 Staff Development	2,013 56												
9070 Staff Development	4,928 51												
Total 9000 Other Operating Costs													1,870 00
9100 IT Costs	1,465 22								295 63				1,465 22
9110 Software-Incidental Costs	285 63												131 40
9120 Consulting-IT	131 40												1,235 00
9130 Web Hosting	1,235 00												1,788 17
9132 Highstead Website	1,788 17												1,807 63
9140 Laptop Computer Cost	1,807 63												6,723 05
9170 - Network Back-up Solution	6,723 05												
Total 9100 IT Costs									295 63				1,465 22
9200 Building Costs	6,182 29												6,182 29
9210 Building Repairs & Mtrnce	134 20												134 20
9220 Custodial	3,026 68												3,026 68
9230 Heating Oil	3,500 86												3,500 86
9240 Electricity	631 00												631 00
9250 Security	13,475 03												
Total 9200 Building Costs													6,182 29
9300 Administrative Costs	473 36												473 36
9310 Postage & Delivery	5,688 71												5,688 71
9320 Telephone	1,636 80												1,636 80
9330 Office Supplies	1,658 35												1,658 35
9331 Ink Cartridges	55 00												55 00
9350 Digital Video and Voice Record	9,512 22												
Total 9300 Administrative Costs													473 36
9400 Overhead Costs	251 10												251 10
9420 Bank Charges	1,829 00												1,829 00
9450 Misc Overhead / Food	50,725 94									50,725 94			50,725 94
9460 Depreciation Expense	181 20												181 20
9400 Overhead Costs - Other	52,987 24												
Total 9400 Overhead Costs										50,725 94			181 20
Total Expense	1,098,871 05			88,601 00	484,080 91	92,594 67	116,674 12	16,869 18	27,056 12	0 00	50,725 94	14,830 34	205,438 77
Net Income	7,570 75												7,570 75
Realized gain per Tax Return	152,420 83												152,420 83
Realized gain per Books	19,474 87												19,474 87
Difference	132,946 06												132,946 06
Change in Unrealized Gain or Loss	(2,032 50)												(2,032 50)
Net Income per Tax Return	138,484 31												138,484 31

**HIGHSTEAD FOUNDATION INC.
SCHEDULE OF LAND, EQUIPMENT & OTHER FIXED ASSETS 2011**

Asset Description	Fixed Asset			Accumulated Depreciation (Amortization)			Ending Net Book Value
	Beginning Balance	Additions	Deletions	Ending Balance	Additions	Deletions	
Land, Redding, Connecticut	576,000.00						576,000.00
Land Improvements	128,137.16			128,137.16			128,137.16
Landscaping	30,863.25			30,863.25			30,863.25
Fences (12Yr)-92	6,359.20			6,359.20			6,359.20
Fences (12Yr)-06	11,000.00			11,000.00	916.67		5,041.69
	17,359.20			17,359.20	916.67		11,400.89
Subtotals	752,359.61	-	-	752,359.61	916.67	-	740,958.72
Truck (5Yr)-00	42,427.50			42,427.50			42,427.50
Subtotal-Trucks	42,427.50	-	-	42,427.50	-	-	42,427.50
Tractor(5Yr)-85	24,541.80			24,541.80			24,541.80
Tractor - W/End Pwr Equip (5 Yr) - 03	20,280.00			20,280.00			20,280.00
Subtotals	44,821.80	-	-	44,821.80	-	-	44,821.80
Golf Cart(5Yr)-90	2,600.00			2,600.00			2,600.00
Golf Cart(5Yr)-93	3,264.58			3,264.58			3,264.58
Subtotals	5,864.58	-	-	5,864.58	-	-	5,864.58
TrailGator (5Yr) - 05	12,557.16			12,557.16			12,557.16
Subtotals	2,150.00	-	-	2,150.00	-	-	2,150.00
Computers & Printers (5Yr) - 08	5,999.30			5,999.30	1,199.86		4,199.51
Telephone System (5Yr) - 08	11,515.00			11,515.00	2,303.00		8,060.50
GPS Unit (5Yr) - 05	6,790.00			6,790.00			6,790.00
Weather Station (5Yr) - 05	5,365.00			5,365.00			5,365.00
Subtotals	783,387.39	-	-	783,387.39	20,086.85	-	311,340.11
Building (39Yr)-96	1,018,922.20			1,018,922.20	26,126.21		91,441.77
Building Addition(39Yr)-08	3,640.60			3,640.60	93.35		233.34
Building Addition(39Yr)-08	1,022,562.80			1,022,562.80	26,219.56		91,675.11
TOTALS	2,695,800.14	-	-	2,695,800.14	50,725.94	-	2,149,147.98

Highstead Foundation, Inc.
06-1108612
Description of Charitable Activities
(Part IX-A)

The Foundation was established in 1985 to own, manage and conserve the Highstead Arboretum, which consists of approximately 100 deeded acres and buildings in Redding, CT. The Foundation also makes occasional grants to ecological, conservation, horticultural and other organizations to further research, education and conservation activities in fields related to ecology and botany.

The emphasis of Highstead has been and will be on the development of infrastructure, programs and the land as a center for research, conservation and education of natural and cultural landscapes. Broad developments have included the construction of a headquarters with offices, a lecture and display hall, greenhouse, library, herbarium and maintenance space and establishment of several miles of trails and paths, a pond, focused collections of native plants and their cultivars, ecological experiments, long-term studies, and demonstration areas for the visiting public. Since 1991 Highstead has employed a full time Director and small staff and the public has been introduced to a variety of programs including seminars and other talks, informal tours and guided nature walks, and outdoor classes for adults and students. Inquiries for access by appointment are welcomed but Highstead does not yet have sufficient staff and public facilities to enable it to permit general admission on a daily basis. The staff maintains the landscape and conduct studies.

General purposes of Highstead affording public benefits are:

- To provide a protected conservation area of diverse habitats that contributes to the ecological integrity of the landscape of southwestern Connecticut.
- To serve as a refuge for wildlife within a region of expanding real estate development and to dedicate an area to remain in a natural state in cooperation with the master plan of the Town of Redding and regional conservation organizations.
- To provide a well investigated and documented outdoor classroom and laboratory for those who wish to study natural landscapes, native plants, animals and processes, and the esthetics of natural landscaping.
- To conduct ecological experiments and horticultural displays that illustrate the care and management of woodlands, fields and wetlands.
- To cooperate with other organizations in conserving land and conducting scientific and conservation studies.

Statement Concerning Cash Deemed Held for Charitable Activities
Part X, Line 4

The foundation's assets consist entirely of fixed assets used for its exempt purposes and cash balances used to pay for assets and expenses directly connected to its exempt purposes. The foundation occasionally receives contributions of marketable securities which may be held for a short time before they are sold.

The cash balances are maintained in a number of accounts (see the schedule for Part X, Line 1) to facilitate the payment of operating expenses and payrolls. The money market fund is used to safeguard funds before transferring them to the operating and payroll accounts. Amounts in the money market fund are sometimes increased in order to pay for extraordinary costs but reduced during the year as such payments are made. The foundation has no ongoing investment activities.

Highstead Foundation, Inc.
06-1108612
Form 990-PF
Part VIII, Line 1

List of Officers, Directors, Trustees, Foundation Managers and Their Compensation:
(All positions are part-time)

(a)	(b)	(c)	(d)	(e)
Name & Address	Title(s)	Compensation	Contributions to Employee Plans, etc.	Allowances
David R. Foster Harvard Forest Harvard University 324 North Main Street Petersham, MA 01366	Chairman of the Board of Directors & President	\$88,601 00	-0-	-0-
Elisabeth C. Dudley	Director, President Emeritus & Vice President	-0-	-0-	-0-
Henry C. Dudley	Director, Vice President & Treasurer	-0-	-0-	-0-
Sarah Dudley Plimpton	Director & Vice President	-0-	-0-	-0-
Jane C. Dudley	Director & Vice President	-0-	-0-	-0-
Frank E. Shanley	Assistant Treasurer	-0-	-0-	-0-
John J. McGlinchey, Jr.	Assistant Treasurer	-0-	-0-	-0-
Address for above is c/o Dudley & Shanley, LLC 130 Maple Avenue Suite EB2 Red Bank, NJ 07701				
Susan R. Clark 115 Sanfordtown Road Redding, CT 16896	Director & Secretary	-0-	-0-	-0-
Anthony J. Carroll c/o Salans, 620 5th Ave New York, NY 10020	Assistant Secretary	-0-	-0-	-0-
Mary Ashton	Director	-0-	-0-	-0-
Dr. Peter Shaw Ashton	Director	-0-	-0-	-0-
Address for above is Ryden Combe Tuckerton, North Newton Somerset, UK TA70BY				
Peter del Tredici 104 Riverside Street Watertown, MA 02472	Director	-0-	-0-	-0-

HIGHSTEAD FOUNDATION, INC.
FORM 990PF, 2010
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FMV OF SECURITIES AND CASH BALANCES

Date	FMV of Investments (BNY Cash Reserve Fund)	BONY Checking (Bank Stmt Bal)	People's Bank P/R Checking (Bank Stmt Bal)
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Jan. 1	141,268 49	44,295 62	58,830.93
Jan 31	319,288 91	30,846 44	22,958.42
Feb 28	159,267 54	71,321 21	67,673.10
Mar. 31	159,235 11	56,256.15	33,004 05
Apr. 30	413,871 16	40,667 71	77,079 05
May 31	333,831 58	54,994 26	37,452.42
June 30	173,819 34	56,532.35	61,831 19
July 31	234,833 27	103,691 44	60,190 23
Aug 31	234,435 86	59,698 69	25,975 53
Sept 30	132,139 24	36,965 18	79,546 27
Oct 31	277,469.10	9,616.89	48,495 97
Nov 30	97,450.32	111,208 37	78,048 15
Dec 31	97,451.11	62,926.61	32,664.01
	<u>2,774,361 03</u>	<u>739,020.92</u>	<u>683,749 32</u>
Common Stock			
Dec. 31	109,650.00		
	<u>2,884,011 03</u>		
Averages			
		Sum of Individual Balances	Divided by 13
Investments:		<u>\$2,884,011 03</u>	<u>\$221,847.00</u>
Cash			
BONY Checking		\$739,020 92	
People's Payroll		\$683,749 32	
		<u>\$1,422,770 24</u>	<u>\$109,443.86</u>