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

2011

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

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

Name of foundation The Horst Family Foundation, Inc.		A Employer identification number 22-3591587
Number and street (or P O box number if mail is not delivered to street address) 11184 Vista Sorrento Parkway	Room/suite G 303	B Telephone number (see the instructions) (201) 638-1797
City or town San Diego	State ZIP code CA 92130-7617	C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply	<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	<input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change
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		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 432,291.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(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 <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)
1 Contributions, gifts, grants, etc. (att sch)		160,091.			
2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		1,355.	1,355.		
5a Gross rents					
b Net rental income or (loss)			L-6a Stmt		
6a Net gain/(loss) from sale of assets not on line 10		370.			
b Gross sales price for all assets on line 6a		23,654.			
7 Capital gain net income (from Part IV, line 2)			16,507.		
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/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total Add lines 1 through 11		161,816.	17,862.		
13 Compensation of officers, directors, trustees, etc					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)		1,430.	1,430.		
b Accounting fees (attach sch)					
c Other prof fees (attach sch)					
17 Interest		7,247.	7,247.		
18 Taxes (attach schedule) (see instrs)					
19 Depreciation (attach sch) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)					
Miscellaneous expenses		319.	319.		
24 Total operating and administrative expenses. Add lines 13 through 23		8,996.	8,996.		
25 Contributions, gifts, grants paid		15,350.			15,350.
26 Total expenses and disbursements. Add lines 24 and 25		24,346.	8,996.		15,350.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		137,470.			
b Net investment income (if negative, enter -0-)			8,866.		
c Adjusted net income (if negative, enter -0-)					

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REVENUE
ADMINISTRATIVE
AND
EXPENSES

20

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			
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	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)	238,281.	375,751.	432,291.
	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				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	238,281.	375,751.	432,291.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable	12,000.	13,800.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	12,000.	13,800.	
NET FUND 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 and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund	605,933.	766,024.	
	29 Retained earnings, accumulated income, endowment, or other funds	-379,652.	-404,073.	
	30 Total net assets or fund balances (see instructions)	226,281.	361,951.	
31 Total liabilities and net assets/fund balances (see instructions)	238,281.	375,751.		

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	226,281.
2 Enter amount from Part I, line 27a	2	137,470.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	363,751.
5 Decreases not included in line 2 (itemize) <u>Increase in Grants Payable Liability</u>	5	1,800.
6 Total net assets or fund balances at end of year (line 4 minus line 5)– Part II, column (b), line 30	6	361,951.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	Johnson & Johnson - 200 shares common stock	D	05/30/96	12/27/11
b	Microsoft Corp - 400 shares common stock	D	05/19/95	12/27/11
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 13,222.		4,800.	8,422.
b 10,432.		2,347.	8,085.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			8,422.
b			8,085.
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	16,507.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

☐ Yes☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	7,109.	234,412.	0.030327
2009	25,528.	162,830.	0.156777
2008	26,038.	112,898.	0.230633
2007	26,022.	168,163.	0.154743
2006	27,032.	150,610.	0.179483

2	Total of line 1, column (d)	2	0.751963
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	0.150393
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	303,596.
5	Multiply line 4 by line 3	5	45,659.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	89.
7	Add lines 5 and 6	7	45,748.
8	Enter qualifying distributions from Part XII, line 4	8	15,350.

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.

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Form 990-PF (2011)

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

1 a 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 instrs)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1 177.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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		3 177.
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-		5 177.
6 Credits/Payments		
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a 733.	
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	7 733.	
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	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 556.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax 556. Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return or Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) See States Registered In _____		
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	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	X	

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Form 990-PF (2011)

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 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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Merle A. Horst, President & Treasurer</u> Telephone no <u>(201) 638-1797</u> Located at <u>11184 Vista Sorrento Parkway G303, San Diego CA</u> ZIP + 4 <u>92130-7617</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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country <u></u>			

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	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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. <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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	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 2011?	4b	X

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Form 990-PF (2011)

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)?

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?☐ 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?

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 (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
Merle A. Horst 11184 Vista Sorrento Parkway G303 San Diego CA 92130	President & Treasurer 5.00	0.	0.	0.
Kay M. Horst 11184 Vista Sorrento Parkway G303 San Diego CA 92130	Vice Pres. & Secretary 0.00	0.	0.	0.
Megan A. Horst 34 Eaton Street Winchester MA 01890	Vice President 0.00	0.	0.	0.
Adam M. Horst 5704 Lawton Loop West Drive Indianapolis IN 46216	Vice President 0.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				
0				
0				
0				
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
None		
Total number of others receiving over \$50,000 for professional services		None

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	0.
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 None	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	None

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Form 990-PF (2011)

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	308,219.
b Average of monthly cash balances	1b	
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	308,219.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	308,219.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	4,623.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	303,596.
6 Minimum investment return. Enter 5% of line 5	6	15,180.

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	15,180.
2a Tax on investment income for 2011 from Part VI, line 5	2a	177.
b Income tax for 2011 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	177.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	15,003.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	15,003.
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	15,003.

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	15,350.
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	15,350.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	15,350.

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.

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Form 990-PF (2011)

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				15,003.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			11,721.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2011:				
a From 2006	27,032.			
b From 2007	26,022.			
c From 2008	26,038.			
d From 2009	25,528.			
e From 2010	7,109.			
f Total of lines 3a through e	111,729.			
4 Qualifying distributions for 2011 from Part XII, line 4. ► \$ 15,350.				
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	15,350.			
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	127,079.			
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				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a Taxable amount — see instructions			11,721.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				15,003.
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)	27,032.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	100,047.			
10 Analysis of line 9				
a Excess from 2007	26,022.			
b Excess from 2008	26,038.			
c Excess from 2009	25,528.			
d Excess from 2010	7,109.			
e Excess from 2011	15,350.			

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				
Calvary Lutheran Church 424 Via de la Valle Solana Beach CA 92075		501(c)(3)	Annual Gift	13,350.
Calvary Lutheran Church 424 Via de la Valle Solana Beach CA 92075		501(c)(3)	Special Gifts	2,000.
Total				15,350.
b Approved for future payment				
Calvary Lutheran Church 423 Via de la Valle Solana Beach CA 92075		501(c)(3)	Annual Gift	13,800.
Total				13,800.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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					
4	Dividends and interest from securities			3	1,355.	
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					370.
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)				1,355.	370.
13	Total. Add line 12, columns (b), (d), and (e)				13	1,725.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF**

OMB No 1545-0047

2011

Name of the organization

The Horst Family Foundation, Inc.

Employer identification number

22-3591587

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)(____) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 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 33-1/3% 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 ☒ \$5,000 or ☐ 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).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

Employer identification number

The Horst Family Foundation, Inc.

22-3591587

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Merle A. Horst and Kay M. Horst, Trustees, The Horst Family Trust Dated June 9, 2011 11184 Vista Sorrento Parkway - G 303 San Diego CA 92130-7617	\$ 160,091.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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)
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			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

Employer identification number

The Horst Family Foundation, Inc.

22-3591587

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	Microsoft Corp - 400 shares common stock		
		\$ 10,326.	12/21/11
1	Johnson & Johnson - 200 shares common stock		
		\$ 12,958.	12/21/11
1	EMC Corp - 995 shares common stock		
		\$ 21,587.	12/21/11
1	Medco Health Solutions - 1,400 shares common stock		
		\$ 77,770.	12/21/11
1	WebMD Health Corp - 1,000 shares common stock		
		\$ 37,450.	12/21/11
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name The Horst Family Foundation, Inc.	Employer Identification Number 22-3591587
--	---

Asset Information:

Description of Property		<u>Johnson & Johnson - 200 shares common stock</u>	
Date Acquired	<u>12/21/11</u>	How Acquired	<u>Donated</u>
Date Sold	<u>12/27/11</u>	Name of Buyer	
Sales Price	<u>13,222.</u>	Cost or other basis (do not reduce by depreciation)	<u>12,958.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>264.</u>	Accumulation Depreciation	

Description of Property		<u>Microsoft Corp - 400 shares common stock</u>	
Date Acquired	<u>12/21/11</u>	How Acquired	<u>Donated</u>
Date Sold	<u>12/27/11</u>	Name of Buyer	
Sales Price	<u>10,432.</u>	Cost or other basis (do not reduce by depreciation)	<u>10,326.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>106.</u>	Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss):		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold:		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold:		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired:		How Acquired:	
Date Sold:		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method.	
Total Gain (Loss):		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold:		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation:	

Form 990-PF, Page 4, Part VII-A, Line 8a

States Registered In

NJ - New Jersey

CA - California

Form 990-PF (2011)**Schedule****The Horst Family Foundation, Inc. 22-3591587****Part II Balance Sheets****Line 10b-----Investments**

Common Stocks @ 12/31/2011

<u>Security Name</u>	<u># of Shares</u>	<u>Basis (A)</u>	<u>Cost (B)</u>	<u>Market Value</u>	
				<u>Per Share</u>	<u>Value</u>
Apple Computer Inc (APPL)	200	\$12,008 *	\$63,389	\$405 00	\$81,000
Cisco Systems Inc (CSCO)	2,250	14,515 *	34,617	18 08	40,680
EMC Corp (EMC)	4,200	10,848 *	46,810	21 54	90,468
EMC Corp (EMC)	995	14,413 *	21,587	21 54	21,432
Hewlett-Packard Co (HP)	500	12,353 *	22,758	25 76	12,880
Intel Corp (INTL)	500	24,270	24,270	24 25	12,125
Medco Health Solutions Inc. (MHS)	2,000	34,572 *	85,520	55.90	111,800
Medco Health Solutions Inc. (MHS)	700	12,100 *	45,091	55 90	39,130
Medco Health Solutions Inc (MHS)	1,400	24,167 *	77,770	55 90	78,260
Segate Technology (STX)	740	20,020	20,020	16 40	12,136
Transwitch Corp (TXCC)	250	2,440	2,440	3 20	800
WebMD Health Corp (WBMD)	1,000	<u>23,508 *</u>	<u>37,450</u>	<u>37 55</u>	<u>37,550</u>
Total		\$205,214	\$481,722		\$538,261
Less Margin Loan			<u>-105,971</u>		<u>-105,971</u>
Net Investments--Common Stocks			<u>\$375,751</u>		<u>\$432,290</u>

(A) Basis = Original cost of securities * of the donor/purchase price.

(B) Cost = Value of securities at time of receipt/purchase price

Form 990-PF (2011)

The Horst Family Foundation, Inc.

22-3591587

Part VII-A Statements Regarding Activities

Schedule

Line 10 -- Did any persons become substantial contributors during the tax year?

Yes

Donor Name and Address:

Merle A Horst and Kay M Horst, Trustees, The Horst Family Trust Dated June 9, 2011
11184 Vista Sorrento Parkway - G 303, San Diego, CA 92130
(Merle A. Horst is President and Treasurer of The Horst Family Foundation, Inc)
(Kay M Horst is Vice President and Secretary of The Horst Family Foundation, Inc.)

Securities (Common Stocks) Contributed - 12/21/2011

<u>Name of Company</u>	<u># of Shares</u>	<u>Average Market Price</u>	<u>Market Value (Stock Gift Value)</u>
EMC Corp (EMC)	995	\$21 695	\$21,587
Johnson & Johnson (JNJ)	200	\$64.70	\$12,958
Medco Health Solutions Inc (MHS)	1,400	\$55.55	\$77,770
Microsoft Corp (MSFT)	400	\$25 815	\$10,326
WebMD Health Corp (WBMD)	1,000	\$37 45	<u>\$37,450</u>

Value

Total value of contribution - \$160,091.

Part 1 Analysis of Revenue and Expenses

Schedule

Line 1 -- Contributions, gifts, grants, etc. received

See above - \$160,091

Form 990-PF 2011 Donor Gift

mah 1/1/2012