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

OMB No 1545-0052

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 CRELS FOUNDATION		A Employer identification number 23-6243577
Number and street (or P.O. box number if mail is not delivered to street address) 5917 MAIN STREET		B Telephone number (see the instructions) (717) 581-8130
City or town EAST PETERSBURG	State ZIP code PA 17520-1519	C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial Return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 12,981,624.	J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 (att sch)				
	2 Ck ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	6,420.	6,420.		
	4 Dividends and interest from securities	222,417.	222,417.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	422,240.			
	b Gross sales price for all assets on line 6a	2,142,600.			
	7 Capital gain net income (from Part IV, line 2)		422,240.		
	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	651,077.	651,077.			
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) L-16a Stmt	1,495.			
	b Accounting fees (attach sch) L-16b Stmt	21,945.			
	c Other prof fees (attach sch) L-16c Stmt	52,517.	51,958.		
	17 Interest				
	18 Taxes (attach schedule) See Line 18 Stmt	13,972.	2,037.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	MISC	322.	322.		
24 Total operating and administrative expenses. Add lines 13 through 23	90,251.	54,317.			
25 Contributions, gifts, grants paid	701,500.				
26 Total expenses and disbursements. Add lines 24 and 25	791,751.	54,317.			
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-140,674.				
b Net investment income (if negative, enter -0-)		596,760.			
c Adjusted net income (if negative, enter -0-)					

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	38,435.	1,382.	1,382.
	2 Savings and temporary cash investments	411,441.	601,041.	601,041.
	3 Accounts receivable 70,072.			
	Less: allowance for doubtful accounts ▶ 0.	84,661.	70,072.	70,072.
	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	8,616.	0.	0.
	10a Investments — U.S. and state government obligations (attach schedule)	252,197.	369,867.	388,835.
	b Investments — corporate stock (attach schedule)	11,884,087.	11,497,841.	11,920,294.
	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)	12,679,437.	12,540,203.	12,981,624.	
LIABILITIES	17 Accounts payable and accrued expenses	7,639.	9,079.	
	18 Grants payable			
	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)	7,639.	9,079.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒			
	27 Capital stock, trust principal, or current funds	12,671,798.	12,531,124.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see instructions)	12,671,798.	12,531,124.		
31 Total liabilities and net assets/fund balances (see instructions)	12,679,437.	12,540,203.		

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	12,671,798.
2 Enter amount from Part I, line 27a	2	-140,674.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	12,531,124.
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	12,531,124.

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)
1 a SEE STATEMENT		P	Various	Various
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 2,079,864.		1,720,360.	359,504.
b 62,736.			62,736.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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 0.	0.	0.	359,504.
b			62,736.
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	422,240.
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	774,568.	12,982,747.	0.059661
2009	659,787.	11,417,508.	0.057787
2008	945,923.	15,242,117.	0.062060
2007	1,004,179.	17,809,735.	0.056384
2006	841,101.	16,596,259.	0.050680

2 Total of line 1, column (d)	2	0.286572
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	0.057314
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	13,783,851.
5 Multiply line 4 by line 3	5	790,008.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,968.
7 Add lines 5 and 6	7	795,976.
8 Enter qualifying distributions from Part XII, line 4	8	737,434.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	11,935.
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	11,935.
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	11,935.
6 Credits/Payments:			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	10,160.	
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	10,160.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,775.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax 0. 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 on 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) PA – Pennsylvania		
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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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>J MICHAEL MELBERT</u> Telephone no. <u>(717) 581-8130</u> Located at <u>5917 MAIN ST., EAST PETERSBURG PA</u> ZIP + 4 <u>17520-1519</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here ☐ and enter the amount of tax-exempt interest received or accrued during the year <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	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country				X

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

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

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1 b	
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?	1 c	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? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	☐ Yes ☒ 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)	2 b	
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__ , 20__ , 20__ , 20__</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If 'Yes,' did it have excess business holdings in 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.)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

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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
SEE ATTACHED LIST NO COMPENSATION, BENEFITS OR EXPENSE		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 THE FOUNDATION CONDUCTS NO DIRECT CHARITABLE ACTIVITIES	
	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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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	13,458,256.
b Average of monthly cash balances	1b	535,501.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	13,993,757.
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	13,993,757.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	209,906.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	13,783,851.
6 Minimum investment return. Enter 5% of line 5	6	689,193.

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	689,193.
2a Tax on investment income for 2011 from Part VI, line 5	2a	11,935.
b Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	11,935.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	677,258.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	677,258.
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	677,258.

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	737,434.
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	737,434.
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	737,434.

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				677,258.
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only			0.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2011				
a From 2006	33,658.			
b From 2007	155,162.			
c From 2008	188,929.			
d From 2009	94,764.			
e From 2010	135,747.			
f Total of lines 3a through e	608,260.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 737,434.				
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				677,258.
e Remaining amount distributed out of corpus	60,176.			
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	668,436.			
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			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
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)	33,658.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	634,778.			
10 Analysis of line 9:				
a Excess from 2007	155,162.			
b Excess from 2008	188,929.			
c Excess from 2009	94,764.			
d Excess from 2010	135,747.			
e Excess from 2011	60,176.			

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

N/A

- 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(1)(3) or

4942(1)(5)

- 2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

- b 85% of line 2a.**

- c** Qualifying distributions from Part XII,
line 4 for each year listed

- d** Amounts included in line 2c not used directly for active conduct of exempt activities . . .

- e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a 'Assets' alternative test – enter:

- (1) Value of all assets**

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)

- b** 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c 'Support' alternative test – enter:

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)**

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(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 organization 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).)

NONE

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

NONE

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

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

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

BOARD OF TRUSTEES-CRELS FOUNDATION

5917 MAIN STREET

EAST PETERSBURG

EAST PETERSBURG PA 17520 (717) 581-8130

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

LETTER DESCRIBING THEIR PROGRAM AND FINANCIAL NEEDS

- c Any submission deadlines?

SEPTEMBER 15TH OF EACH YEAR FOR CONSIDERATION THAT YEAR

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

LANCASTER CO., PENNSYLVANIA-EDUCATIONAL, MEDICAL, RELIGIOUS OR OTHER CHARITABLE PURPOSE

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED LIST				701,500.
Total			3a	701,500.
b Approved for future payment				
Total			3b	

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	NONE					
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	6,420.	
4	Dividends and interest from securities			14	222,417.	
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					
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)				228,837.	
13	Total. Add line 12, columns (b), (d), and (e)				228,837.	

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
FOREIGN TAX WITHHELD ON DIVIDENDS	2,037.	2,037.		
FEDERAL EXCISE TAX	11,935.			

Total 13,972. 2,037.

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
GIBBLE, GRAYBILL, &	GENERAL LEGAL SERVICES	1,495.			

Total 1,495.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
WENGER & COMPANY PC	ANNUAL AUDIT	6,850.			
MELBERT ASSOCIATES	BOOKEEPING & ACCOUNTING	15,095.			

Total 21,945.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
JOAN L DELP	SECRETARIAL SERVICES	559.			
JANNEY MONTGOMERY SC	INVESTMENT ADVISORY FE	32,823.	32,823.		
MORGAN STANLEY SMITH	INVESTMENT ADVISORY FE	19,135.	19,135.		

Total 52,517. 51,958.

CRELS FOUNDATION

A/C 23-6243577

Part VIII - List of Officers, Trustees, Etc. as of December 31, 2011

<u>NAME AND ADDRESS</u>	<u>TITLE</u>	<u>ESTIMATE OF TIME DEVOTED WEEKLY</u>
Kenneth N Burkholder 3718 Yost Road Gordonville, PA 17529	Trustee and Chairman	1 Hour
Clarence J Nelson 433 South Kinzer Ave, Apt 344 New Holland, PA 17557	Trustee	1 Hour
Eugene N. Burkholder 395 North railroad Avenue New Holland, PA 17557	Trustee and Vice-Chairman	-0-
Leon Ray Burkholder 580 Indiantown Road Ephrata, PA 17522	Trustee and Secretary	-0-
J Michael Burkholder 325 N Railroad Avenue New Holland, PA 17557	Trustee and Assistant Secretary	-0-
J. Michael Melbert 5917 Main Street East Petersburg, PA 17520	Treasurer	-0-

**CAPITAL STOCK
CRELS FOUNDATION
DECEMBER 31, 2011**

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

	NUMBER OF SHARES	COST BASIS		12/31/11 MARKET VALUE	
		UNIT	TOTAL	UNIT	TOTAL
3M Company	767	\$ 59,400	\$ 45,560	\$ 81.730	\$ 62,687
Abbott Laboratories	856	51,296	43,909	56,230	48,133
American Capital Agency Corp	2,159	28,959	62,523	28.080	60,625
Amgen Inc	549	56,390	30,958	64,210	35,251
Analog Devices Inc	1,312	29,294	38,434	35,780	46,943
Annaly Capital Management	3,765	15,436	58,116	15.960	60,089
Apple Inc	206	206,786	42,598	405,000	83,430
A T & T Inc	2,123	29,442	62,505	30,240	64,200
Babcock & Wilcox Company	1,356	13,358	18,114	24,140	32,734
Bank of New York	1,634	18,946	30,957	19,910	32,533
Chevron Corp	315	94,981	29,919	106,400	33,516
Chubb Corporation	934	49,215	45,967	69,220	64,652
Clorox Company	464	62,073	28,802	66,560	30,884
Covidien LTD	674	38,953	26,254	45,010	30,337
Du Pont E. I. De Nemour & Co	1,323	26,330	34,834	45,780	60,567
El Paso Corp	1,815	19,652	35,669	26,570	48,225
Endurance Specialty Holding	825	31,405	25,909	38,250	31,556
Entergy Corporation	662	74,846	49,548	73,050	48,359
Exelon Corp	1,064	42,854	45,597	43,370	46,146
Goodrich Corporation	245	39,192	9,602	123,700	30,307
HCP Inc	817	21,237	17,351	41,430	33,848
Health Care Reit Inc	625	35,594	22,246	54,530	34,081
Heintz H.J. Company	595	44,657	26,571	54,040	32,154
Johnson & Johnson	715	60,765	43,447	65,580	46,890
Micsoft Corp	1,204	29,319	35,300	25,960	31,256
National Grid PLC	603	46,886	28,272	48,480	29,233
New York Community Bancorp	3,857	13,512	52,115	12,370	47,711
Old Republic International Corp	4,031	10,079	40,629	9,270	37,367
Pepsico Inc	478	52,389	25,042	66,350	31,715
Proctor & Gamble Company	733	52,176	38,245	66,710	48,898
Progress Energy Inc	864	37,911	32,755	56,020	48,401
Royal Dutch Shell	886	69,032	61,162	73,090	64,758
Saint Jude Medical Inc	1,272	31,386	39,923	34,300	43,630
Scana Corp	718	41,429	29,746	45,060	32,353
Sempra Energy	866	51,408	44,519	55,000	47,630
SPDR Gold Trust Shares	461	79,863	36,817	151,990	70,067

**CAPITAL STOCK
CRELS FOUNDATION
DECEMBER 31, 2011**

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

	NUMBER OF SHARES	COST BASIS		12/31/11 MARKET VALUE	
		UNIT	TOTAL	UNIT	TOTAL
Sysco Corporation	1,104	\$ 28 357	\$ 31,306	\$ 29 330	\$ 32,380
Telephone & Data Systems	1,333	27.974	37,290	23 810	31,739
Unilever N.V	1,397	31 389	43,851	34.370	48,015
Wal-Mart Stores Inc	795	50.097	39,827	59 760	47,509
Xerox Corp	3,868	9 751	37,718	7 960	30,789
Zimmer Holdings Inc	622	41 887	26,054	53.420	33,227
TOTAL CAPITAL STOCK			\$ 1,555,961		\$ 1,854,825

Note: Total Managed by Janney Montgomery Scott

MUTUAL FUNDS
CRELS FOUNDATION
DECEMBER 31, 2011

SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA

	NUMBER OF	COST BASIS		TAX	12/31/11	
	SHARES	UNIT	TOTAL	VALUE AT	UNIT	TOTAL
				12/31/11		
JANNEY MONTGOMERY SCOTT						
American Growth Fd of America	2,974	\$ 33.007	\$ 98,164		\$ 28.733	\$ 85,451
Focus Growth Fund A	3,341	37 927	126,714		33 634	112,372
Ivy Funds Inc	3,878	21 299	82,599		22.263	86,335
Total Account 5902-1957			\$ 307,477			\$ 284,158
IShares Trust	1,003	95.202	\$ 95,402		121 250	\$ 121,614
Powershares ETF Trust	4,184	26 013	105,191		28.700	120,081
Vanguard S/T Corp Bond	4,646	77 069	358,210		77 860	361,737
Total Account 3065-3108			\$ 558,803			\$ 603,432
Total Managed by Janney Montgomery Scott			\$ 866,280			\$ 887,590
MORGAN STANLEY SMITH BARNEY						
Ishares Russell 1000 Growth Index	10,290	\$ 46 029	\$ 473,638		\$ 57.790	\$ 594,659
Ishares Russell 1000 Value Index	6,710	53.066	356,076		63 480	425,951
Ishares Russell 2000 Growth Index	1,250	62.874	78,592		84.230	105,287
Ishares Russell 2000 Value Index	815	63 583	51,820		65.640	53,497
Ishares JP Morgan EM Bond Fund	1,390	105.327	146,404		109.750	152,553
Ishares Russell Midcap Growth Index	2,330	35 556	82,845		55.050	128,266
Ishares Russell Midcap Value Index	1,820	35.703	64,980		43.400	78,988
SPDR Lehman Int'l Treasury Bond	2,160	57 154	123,452		58 830	127,073
Vanguard Bond Index Fund	5,670	82.083	465,409		83 540	473,672
Vanguard Emerging Markets	9,090	30 212	274,624		38 210	347,329
Vanguard MSCI EAFE ETF	2,450	29 953	73,385		30.630	75,043
Total Managed by Morgan Stanley Smith Barney			\$ 2,191,225			\$ 2,562,318
Adams Express Company	45,891	\$ 12.286	\$ 563,801	\$ 565,013	\$ 9.640	\$ 442,389
Eaton Vance Growth Stock	66,780	8 403	561,162	564,212	7 590	506,863
General American Investors	122,454	30 205	3,698,743	3,702,496	24.910	3,050,331
Legg Mason Equity Fund	9,662	13 445	129,901	138,668	11.910	115,074
Massachusetts Investors Trust	133,881	14 422	1,930,768	1,930,768	18.680	2,500,904
Total Held by CRELS Foundation			\$ 6,884,375	\$ 6,901,157		\$ 6,615,561
TOTAL MUTUAL FUNDS			\$ 9,941,880	\$ 6,901,157		\$ 10,065,469

**U.S. GOVERNMENT OBLIGATIONS
CRELS FOUNDATION
DECEMBER 31, 2011**

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

DESCRIPTION	FACE VALUE	COST BASIS	MARKET VALUE AS OF 12/31/10	
			QUOTE	TOTAL
U S Treasury Notes:				
1 3750% Due 11-30-15	\$ 145,000	\$ 139,676	\$ 103 05	\$ 149,418
3 5000% Due 02-15-18	210,000	230,191	114 01	239,417
Total U.S. Treasury Notes:	\$ 355,000	\$ 369,867		\$ 388,835

CAPITAL GAINS AND LOSSES
CRELS FOUNDATION
YEAR ENDING DECEMBER 31, 2011

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

COMPANY	DATE		SHARES OR PAR	GROSS PROCEEDS	COST BASIS	GAIN (LOSS)
	SOLD	ACQUIRED				
SHORT TERM GAIN (LOSS)						
Alcoa	12/21/11	02/03/11	1,883	\$ 16,740	\$ 32,218	\$ (15,478)
Alcoa	12/21/11	11/22/11	1,290	11,468	11,932	(464)
American Cap Agency	11/22/11	06/30/11	235	6,625	6,864	(239)
Bank of NewYork Mellon	11/22/11	10/18/11	155	2,792	2,937	(145)
Chevron Corp	11/22/11	01/31/11	30	2,884	2,850	34
Exelon Corp	11/22/11	10/26/11	95	4,042	4,054	(12)
Genzyme Corp	05/03/11	09/15/10	265	19,610	18,677	933
Johnson & Johnson	11/22/11	02/23/11	95	5,973	5,773	200
Medtronic Inc	08/11/11	10/28/10	881	27,002	31,685	(4,683)
National Grd	05/11/11	10/20/10	346	17,767	15,901	1,866
Royal Dutch Shell	11/22/11	01/13/11	55	3,688	3,706	(18)
Sanofi Contingment	11/11/11	05/27/11	884	840	2,166	(1,326)
Scana Corp	11/22/11	09/20/11	95	3,915	3,936	(21)
SPDR Lehman Intl Tres Bd	04/05/11	06/04/10	17	1,026	897	129
Unilever N V	11/22/11	12/14/10	135	4,440	4,238	202
U S Treasury Note	11/23/11	03/03/11	23,000	23,691	22,156	1,535
Vanguard Europe Pacific ETF	01/14/11	06/04/10	4,537	166,055	135,897	30,158
Vanguard Long Term Govt	01/18/11	07/14/10	657	39,018	40,941	(1,923)
Vanguard Long Term Govt	02/03/11	Various	2,184	127,543	141,000	(13,457)
Vanguard MSCI Eafe	04/15/11	06/04/10	873	32,877	26,149	6,728

TOTAL SHORT TERM GAIN (LOSS)				\$ 517,996	\$ 513,977	\$ 4,019
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LONG TERM GAIN (LOSS)

A T & T	11/22/11	09/08/10	35	\$ 982	\$ 960	\$ 22
Abbott Laboratories	11/22/11	01/13/09	50	2,631	2,495	136
Allstate Corp	03/03/11	Various	1,003	31,853	29,616	2,237
Allstate Corp	08/03/11	Various	1,047	28,823	27,317	1,506
Amgen Inc	08/10/11	02/08/10	228	11,230	13,006	(1,776)
Amgen Inc	11/22/11	02/08/10	90	4,995	5,134	(139)
Analog Devices Inc	11/22/11	03/24/10	285	9,482	8,405	1,077
Annaly Capital	01/24/11	01/13/09	623	11,089	9,893	1,196
Annaly Capital	11/22/11	01/13/11	805	12,872	12,784	88
Babcock & Wilcox Co	11/22/11	01/13/09	55	1,208	615	593
Chubb Corp	11/22/11	08/25/09	150	9,678	7,306	2,372
Clorox Company	12/20/11	03/11/10	239	15,654	14,830	824
Colonial PPTYS	02/18/11	01/13/09	943	18,151	7,233	10,918
Conocophillips	10/20/11	Various	559	38,666	28,943	9,723
Covidien Plc	10/18/11	01/13/09	501	22,189	18,347	3,842
Covidien Plc	11/22/11	01/13/09	60	2,661	2,197	464
DuPont E I DeNemours	11/22/11	01/13/09	130	5,894	3,310	2,584
Genzyme Corp	05/03/11	01/13/09	619	45,806	37,832	7,974
General American Investors	11/28/11	Various	3,963	94,652	69,293	25,359
Goodrich Corp	03/03/11	01/13/09	265	22,965	10,385	12,580
Goodrich Corp	11/22/11	01/13/09	145	17,806	5,683	12,123
HCP Inc	11/22/11	01/13/09	25	920	531	389
Health Care Reit Inc	11/22/11	01/13/09	10	481	335	146
Heinz HJ Company	05/11/11	11/24/09	334	17,241	14,325	2,916
Heinz HJ Company	11/22/11	11/24/09	65	3,293	2,788	505

CAPITAL GAINS AND LOSSES
CRELS FOUNDATION
YEAR ENDING DECEMBER 31, 2011

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

COMPANY	DATE		SHARES OR PAR	GROSS PROCEEDS	COST BASIS	GAIN (LOSS)
	SOLD	ACQUIRED				
Ishares Barclays Treas Infl	11/22/11	10/22/09	190	23,046	18,173	4,873
Ishares JPMorgan EM Bond	10/07/11	06/04/10	209	22,024	21,339	685
Ishares JPMorgan EM Bond	11/28/11	06/04/10	190	20,435	19,399	1,036
Ishares Russell 1000 Growth	10/07/11	12/23/08	1,993	107,854	71,384	36,470
Ishares Russell 1000 Growth	11/28/11	12/23/08	1,460	81,300	52,293	29,007
Ishares Russell 1000 Value	04/15/11	12/23/08	17	1,159	804	355
Ishares Russell 1000 Value	10/07/11	12/23/08	330	19,305	15,610	3,695
Ishares Russell 1000 Value	11/28/11	12/23/08	900	53,353	42,571	10,782
Ishares Russell Midcap Growth	01/14/11	12/23/08	100	5,788	2,995	2,793
Ishares Russell Midcap Growth	04/15/11	12/23/08	48	2,909	1,437	1,472
Ishares Russell Midcap Growth	11/28/11	12/23/08	350	18,635	10,480	8,155
Ishares Russell Midcap Value	04/15/11	12/23/08	32	1,522	858	664
Ishares Russell Midcap Value	10/07/11	12/23/08	576	22,840	15,447	7,393
Ishares Russell Midcap Value	11/28/11	12/23/08	280	11,469	7,509	3,960
Ishares TR Russell 2000 Growth	01/14/11	12/23/08	84	7,520	4,081	3,439
Ishares TR Russell 2000 Growth	04/15/11	12/23/08	31	2,907	1,506	1,401
Ishares TR Russell 2000 Growth	11/28/11	12/23/08	175	13,892	8,503	5,389
Ishares TR Russell 2000 Growth	11/28/11	04/17/09	15	1,191	766	425
Ishares TR Russell 2000 Value	10/07/11	04/17/09	24	1,422	1,069	353
Ishares TR Russell 2000 Value	10/07/11	08/21/09	335	19,844	18,408	1,436
Ishares TR Russell 2000 Value	11/28/11	08/21/09	120	7,308	6,594	714
McGraw Hill Cos	10/18/11	06/03/10	1,018	44,467	28,177	16,290
Microsoft Corp	07/21/11	04/21/10	613	16,581	19,229	(2,648)
Microsoft Corp	11/22/11	04/21/10	40	989	1,255	(266)
Millicom	01/20/11	01/13/09	316	29,710	13,503	16,207
National Grid Plc	11/22/11	10/20/10	55	2,729	2,527	202
Powershares Build	11/22/11	11/05/10	1,100	31,730	28,614	3,116
Procter & Gamble Company	05/25/11	05/11/09	269	17,800	13,594	4,206
Procter & Gamble Company	11/22/11	05/11/09	20	1,234	1,011	223
Progress Energy Inc	10/26/11	01/13/09	436	22,646	16,367	6,279
Progress Energy Inc	11/22/11	01/13/09	110	5,691	4,129	1,562
SPDR Gold Trust	11/22/11	01/13/09	165	27,267	13,415	13,852
SPDR Gold Trust	12/31/11	12/31/11	0	366	366	0
SPDR Lehman Int'l TB	11/28/11	06/04/10	2	116	106	10
St Jude Medical Inc	11/22/11	01/13/09	15	532	468	64
Sempra Energy	11/22/11	05/03/10	70	3,607	3,552	55
Sysco Corp	02/23/11	11/09/09	500	14,125	13,700	425
Sysco Corp	11/22/11	11/09/09	55	1,505	1,507	(2)
Time Warner Cable Inc	05/25/11	Various	556	42,258	22,515	19,743
US Treasury Note	11/23/11	01/13/09	20,000	22,791	22,006	785
Vanguard BD Index Fund	04/15/11	12/23/08	1,082	86,731	84,828	1,903
Vanguard BD Index Fund	11/28/11	12/23/08	320	26,772	25,088	1,684
Vanguard Short Term	11/22/11	04/19/10	270	20,963	20,660	303
Vanguard MSCI EAFE EFT	10/07/11	06/04/10	3,197	99,840	95,759	4,081
Vanguard MSCI EAFE EFT	11/28/11	06/04/10	220	6,704	6,590	114
Vanguard Emerging Markets	10/07/11	12/23/08	1,189	44,991	28,703	16,288
Vanguard Emerging Markets	11/25/11	12/23/08	1,260	48,285	30,417	17,868
Vodafone Group PLC	03/01/11	01/13/09	1,237	35,848	25,013	10,835
Wal-Mart	05/11/11	09/16/09	255	14,086	12,742	1,344
Wal-Mart	11/22/11	09/16/09	125	7,100	6,246	854
Xerox Corp	11/22/11	03/10/10	975	7,459	9,507	(2,048)

CAPITAL GAINS AND LOSSES
CRELS FOUNDATION
YEAR ENDING DECEMBER 31, 2011

**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

COMPANY	DATE		SHARES OR PAR	GROSS PROCEEDS	COST BASIS	GAIN (LOSS)
	SOLD	ACQUIRED				
TOTAL LONG TERM GAIN (LOSS)				\$ 1,561,868	\$ 1,206,383	\$ 355,485
TOTAL CAPITAL GAIN (LOSS) REALIZED				\$ 2,079,864	\$ 1,720,360	\$ 359,504

CAPITAL GAIN DISTRIBUTIONS

American Capital Agency	\$ 259	
Annaly Capital Management	540	
Adams Express	18,334	
Colonial Properties Trust	11	
General American Investors	41,680	
HCP Inc	206	
Health Care Reit	169	
Vanguard Bond Index	1,332	
Vanguard Short Term Corp	205	
		62,736
TOTAL CAPITAL GAINS DISTRIBUTIONS	\$	62,736

CRELS FOUNDATION**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

T I N 23-6243577

YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
<u>GENERAL SUPPORT OF MEDICAL INSTITUTIONS</u>	
Clinic for Special Children P.O Box 128 Strasburg, PA 17579	\$ 5,000
Ephrata Community Hospital Foundation P.O Box 1002 Ephrata, PA 17522-1002	40,000
Fairmount Homes Sharing Fund 333 Wheat Ridge Drive Ephrata, PA 17522	50,000
Lancaster Cleft Palate Clinic 223 North Lime Street Lancaster, PA 17602-2790	3,000
Landis Homes Retirement Community 1001 East Oregon Road Lititz, PA 17543-9206	2,000
Philhaven Hospital P O Box 550 Mount Gretna, PA 17064-0550	25,000
Visiting Nurse Association P.O. Box 10788 Lancaster, PA 17605-0788	3,000
Weaverland Homes 140 Chaple View Drive Reinholds, PA 17569	12,000
Welsh Mountain Home 567 Springville Road New Holland, PA 17557	5,000
Welsh Mountain Medical & Dental Center 584 Springville Road New Holland, PA 17557	4,000
<u>GENERAL SUPPORT OF EDUCATIONAL INSTITUTIONS</u>	
Airport View Parochial School 2800 ButterlRoad Lititz, PA 17543	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
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T I.N. 23-6243577

YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Amsterdam Parochial School 340 Voganville Road New Holland, PA 17557	\$ 2,500
Bethany Parochial School 109 Bethany Road Ephrata, PA 17522	2,500
Black Creek Parochial School 279 East Black Creek Road East Earl, PA 17519	2,500
Bridgeville Parochial School 1646 Ligalaw Road East Earl, PA 17519	2,500
Brunners Grove Parochial School 180 North Ridge Road Reinholds, PA 17569	2,500
Center Grove Parochial School 320 North Rialroad Avenue New Holland, PA 17557	2,500
Center Parochial School 483 Old Road East Earl, PA 17519	2,500
Cherry Grove Parochial School 435 West Burkholder Drive Lititz, PA 17543	2,500
Chestnut Hill Parochial School 1033 Beam Road Denver, PA 17517	2,500
Churchtown Parochial School 291 South Churchtown Road Narvon, PA 17555	2,500
Clearview Parochial School 1061 Weaverland Road East Earl, PA 17519	2,500
Conestoga Parochial School 1405 Union Grove Road Terre Hill, PA 17581	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
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T I.N 23-6243577

YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Conestoga View Parochial School 123 Willis Pierce Road Ephrata, PA 17522	\$ 2,500
Diamond Road Parochial School 1450 Diamond Station Road Ephrata, PA 17522	2,500
East Earl Parochial School 1310 Reservoir Road New Holland, PA 17557	2,500
Elm Parochial School 615 Evans Road Lititz, PA 17543	2,500
Ephrata Mennonite School 598 Stevens Road Ephrata, PA 17522	2,000
Fairland Parochial School 709 Water Edge Road Lititz, PA 17543	2,500
Fairmount Parochial School 104 Fairmont Road Ephrata, PA 17522	2,500
Fairview Parochial School 1334 Pine Hill Road Lititz, PA 17543	2,500
Faith Mennonite High School 5085 Woodland Drive Kinzers, PA 17535-9783	2,000
Farmersville Parochial School 359 North Hershey Avenue Leola, PA 17540	2,500
Gehmans Mennonite School 650 Gehman School Road Denver, PA 17517	4,000
Glenwood Parochial School 831 Glenwood Drive Ephrata, PA 17522	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
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T I N 23-6243577

YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Goods Parochial School 120 Brick Church Road Leola, PA 17540	\$ 2,500
Goods Parochial School 756 Gehmans School Road Denver, PA 17517	2,500
Green Bank Parochial School 481 Ranck Road New Holland, PA 17557	2,500
Groffdale Parochial School 214 North Shirk Road New Holland, PA 17557	2,500
Hillside Parochial School 263 Kurtz Road Ephrata, PA 17522	2,500
Hillside Special Education Parochial School 330 North Clay Road Lititz, PA 17543	2,500
Hinkletown Mennonite School 272 Wanner Road Ephrata, PA 17522-9314	3,000
Iron Grove Parochial School 1725 Bager Run Road Manheim, PA 17545	2,500
Lancaster Bible College P O Box 83403 Lancaster, PA 17608-3403	7,000
Lancaster Mennonite High School 2176 Lincoln Highway East Lancaster, PA 17602	5,000
Landis Hill Parochial School 1768 N Churchtown Road East Earl, PA 17519	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
ON SUPPLEMENTAL DATA**

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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Lime Rock Parochial School 33 Limrock Road Lititz, PA 17543	\$ 2,500
Lincoln Independent School 215 Sensenig Road Ephrata, PA 17522-9330	2,500
Linden Grove Parochial School 800 North Railroad Avenue New Holland, PA 17557	2,500
Linville Hill Mennonite School 295 South Kinzer Road Paradise, PA 17562	2,000
Lititz Area Mennonite School 1050 E Newport Road Lititz, PA 17543	2,000
Martindale Parochial School 534 Martindale Road Ephrata, PA 17522	2,500
Martindale Special Education Parochial School 330 North Clay Road Ephrata, PA 17522	2,500
Meadow Creek Parochial School 726 Maple Grove Road New Holland, PA 17557	2,500
Meadow View Parochial School 120 Brick Church Road Leola, PA 17540	2,500
Metzlers Parochial School 1450 Diamond Station Road Ephrata, PA 17522	2,500
Middle Creek Parochial School 1334 Pine Hill Road Lititz, PA 17543	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Mill Creek Valley Parochial School 592 Kinzer Road New Holland, PA 17557	\$ 2,500
Millport Parochial School 2800 Butter Road Lititz, PA 17543	2,500
Millroad Parochial School 112 Maxwell Hill Road Narvom, PA 17555	2,500
Mountain View Parochial School 112 Maxwell Hill Road Narvom, PA 17555	2,500
Muddy Creek Parochial School 678 South Muddy Creek Road Denver, PA 17517	2,500
Napierville Parochial School 1276 Landis Road Ephrata, PA 17522	2,500
Peaceful View Parochial School 129 North Maple Avenue Leola, PA 17540-9797	2,500
Peiffer Hill Parochial School 1018 Steffy Road Stevens, PA 17578	2,500
Penn Johns Parochial School 179 Forest Hill Road Leola, PA 17540	2,500
Pennytown Parochial School 1768 N. Churchtown Road East Earl, PA 17519	2,500
Pleasant Valley Mennonite School 144 Pleasant Valley Road Ephrata, PA 17522	3,000

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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Pleasant Valley Parochial School 123 Willis Pierce Road Ephrata, PA 17522	\$ 2,500
Reidenbach Parochial School 170 Kurtz Road New Holland, PA 17557	2,500
River View Parochial School 365 Glenbrook Road Leola, PA 17540	2,500
Shalom Mennonite School 1410 Union Grove Road Terre Hill, PA 17581	3,000
Sheaffers Parochial School 359 North Hershey Avenue Leola, PA 17540-9719	2,500
Silver Hill Parochial School 1190 Oaklyn Drive Narvon, PA 17555	2,500
Spring Grove Parochial School 1512 Weaverland Road East Earl, PA 17519	2,500
Sunnyside East Parochial School 129 North Maple Avenue Leola, PA 17540-9797	2,500
Sunnyside West Parochial School 365 Glenbrook Road Leola, PA 17540-9523	2,500
Terre Hill Mennonite High School 1416 Union Grove Road Terre Hill, PA 17581	5,000
Trostle Hill Parochial School 756 Gehmans School Road Denver, PA 17517	2,500
Valley View Parochial School 112 Maxwell Hill Road Morgantown, PA 19543	2,500

CRELS FOUNDATION**SEE AUDITORS' REPORT
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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Weaverland Mennonite Schools 1050 Kleinfeltersville Road Stevens, PA 17578	\$ 75,000
Weaverland Parochial School 316 Weaverland Valley Road East Earl, PA 17519	2,500
West Stevens Parochial School 1520 Steinmetz Road Stevens, PA 17578	2,500
West Terre Hill Parochial School 1137 Lancaster Avenue Terre Hill, PA 17581	2,500
White Oak Parochial School 756 Gehmans School Road Denver, PA 17517	2,500
Wide Hollow Parochial School 756 Red Run Road New Holland, PA 17557	2,500
Woodcorner Parochial School 690 Clearview Road Ephrata, PA 17522	2,500
Woodcrest Parochial School 776 Glenwood Drive Ephrata, PA 17522	2,500

GENERAL SUPPORT OF WELFARE AGENCIES

Haven of Rest c/o Frank N Weaver 176 Boot Jack Road Narvon, PA 17555	\$ 5,000
Heart to Heart 222 Snyder Road Ephrata, PA 17522	4,000
Lighthouse Vocational Services 144 Orlan Road New Holland, PA 17557	8,000

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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Long Home 200 N West End Avenue Lancaster, PA 17603	\$ 7,000
Mennonite Gospel Missions 979 Oakview Drive New Holland, PA 17557	10,000
Mennonite Gospel Missions Food Ministry 580 Indiantown Road Ephrata, PA 17522	8,000
Red Rock Refuge Center 175 Manassa Road Blain, PA 17006	3,000
Sunshine Meadows 24 Meadow Lane Goodville, PA 17529	5,000
Support of Prison Ministries P.O Box 134 Lititz, PA 17543-0134	5,000
Susquehanna Foundation for the Blind 244 North Queen Street Lancaster, PA 17603	5,000
Water Street Rescue Mission P O Box 7267 Lancaster, PA 17604-7267	20,000

GENERAL SUPPORT OF RELIGIOUS ORGANIZATIONS

Carolina Chaplaincy Program 2131 Old 96 Indian Road Batesburg, SC 29006	\$ 2,000
Hickory Hollow Christian School 9024 Kiser Road Mount Crawford, VA 22841	5,000
Home Messenger Literature Service P.O Box 391 Ephrata, PA 17522	12,000

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YEAR ENDING DECEMBER 31, 2011

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR (PART XV)

	<u>AMOUNT</u>
Life Ministries 250 Meadow Lane Conestoga, PA 17516	\$ 5,000
Lighthouse Christian Academy 5 East Penn Street Lyon Statelton, PA 19536	2,000
Martindale Reception Center 406 Long Lane East Earl, PA 17519	20,000
New Holland Evangelical United Methodist Church 276 West Main Street New Holland, PA 17557	4,000
Parish Resource Center 633 Community Way Lancaster, PA 17603-2301	5,000
Perry Mennonite Reception Center 365 Montour Road Landisburg, PA 17040	5,000
Weaverland Conference Mennonite Church 430 S. Fairmount Road Ephrata, PA 17522-8534	125,000
 <u>GENERAL SUPPORT OF INFORMATION AGENCY</u>	
Lancaster Mennonite Historical Society 2215 Millstream Road Lancaster, PA 17602-1499	\$ 1,500
Muddy Creek Farm Library 2504 Division Hwy. Ephrata, PA 17522	8,000
Total Grants Distributed	\$ <u>701,500</u>

PROOF OF PUBLICATION NOTICE IN

State of Pennsylvania}
 } ss:
County of Lancaster}

Penny L. Stauffer of the County and State aforesaid, being duly sworn, deposes and says that the Intelligencer Journal-New Era a daily newspaper of general circulation published at Lancaster, County and State aforesaid, was established 1794-1877 since which date said daily newspaper has been regularly issued in said county, and that a copy of the printed notice or publication is attached hereto exactly the same as was printed and published in the regular editions and issues of said daily newspaper on the following dates:

9TH DAY OF AUGUST 2012

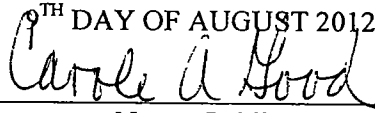
Affiant further deposes that she is the Billing Clerk duly authorized by the Lancaster Newspapers, Inc., a corporation, publisher of said Intelligencer Journal-Lancaster New Era-Sunday News a newspaper of general circulation, to verify the foregoing statement under oath, and also declares that affiant is not interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLIC NOTICE
CRELS FOUNDATION
The 2011 annual report of
the CRELS Foundation is
available for inspection
at the address noted
below during normal
business hours by any
citizen who so requests
within 180 days after
publication of this notice
of availability
CRELS Foundation
5917 Main Street
East Petersburg, PA
17520
The principal manager is
Kenneth N. Burkholder,
Chairman


(Signature)

COPY OF NOTICE OF PUBLICATION

Sworn and subscribed to before me this
9TH DAY OF AUGUST 2012


Notary Public

My commission expires

Commonwealth of Pennsylvania

