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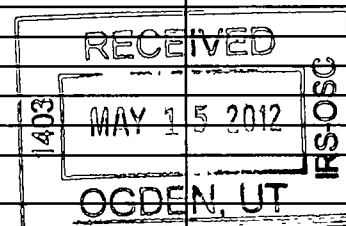
**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2011**Department of the Treasury
Internal Revenue Service

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 GALEWOOD FOUNDATION		A Employer identification number 36-3890717
Number and street (or P.O. box number if mail is not delivered to street address) 52 LOCUST ROAD		B Telephone number (see the instructions) (847) 295-8661
City or town WINNETKA	State ZIP code IL 60093	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) \$ 2,930,083.	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)	815.			
	2 Ck ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	21.	21.		
	4 Dividends and interest from securities	84,644.	84,644.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		25,371.		
	8 Net short-term capital gain			25,371.	
	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	85,480.	110,036.	25,371.		
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)				
	b Accounting fees (attach sch) L-16b Stmt	800.			
	c Other prof fees (attach sch) L-16c Stmt	5,707.			
	17 Interest				
	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)				
	FILING FEE	15.			
	24 Total operating and administrative expenses. Add lines 13 through 23	6,522.			
25 Contributions, gifts, grants paid	300,000.			300,000.	
26 Total expenses and disbursements. Add lines 24 and 25	306,522.			300,000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-221,042.				
b Net investment income (if negative, enter -0-)		110,036.			
c Adjusted net income (if negative, enter -0-)			25,371.		



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	94,595.	172,061.	172,061.	
	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) L-10b Stmt	3,125,358.	2,853,150.	2,758,022.	
	c	Investments — corporate bonds (attach schedule)				
	LIABILITIES	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)	3,219,953.	3,025,211.	2,930,083.	
17		Accounts payable and accrued expenses				
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)					
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	3,219,953.	3,025,211.		
	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)	3,219,953.	3,025,211.			
31	Total liabilities and net assets/fund balances (see instructions)	3,219,953.	3,025,211.			

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	3,219,953.
2	Enter amount from Part I, line 27a	2	-221,042.
3	Other increases not included in line 2 (itemize) ☐ See Other Increases Stmt	3	26,300.
4	Add lines 1, 2, and 3	4	3,025,211.
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	3,025,211.

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 SEE ATTACHED SCHEDULE	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 914,464.		889,093.	25,371.
b			
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.	25,371.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	25,371.
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	25,371.

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	299,494.	3,330,666.	0.089920
2009		3,066,381.	
2008		3,595,646.	
2007	250,000.	4,139,126.	0.060399
2006	222,651.	2,003,047.	0.111156

2 Total of line 1, column (d)	2	0.261475
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	0.087158
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,075,743.
5 Multiply line 4 by line 3	5	268,076.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,100.
7 Add lines 5 and 6	7	269,176.
8 Enter qualifying distributions from Part XII, line 4	8	300,000.

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	1,100.
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	1,100.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,100.
6 Credits/Payments:			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	829.	
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	829.	
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	271.	
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)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
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? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		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? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XIV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions)		
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? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		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>GWEN M. WASMUTH</u> Telephone no <u>(847) 295-8661</u> Located at <u>164 E. WESTMINSTER, LAKE FOREST, IL</u> ZIP + 4 <u>60045</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?		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 <u></u>	16		X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here . . . ☐	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? ☐ Yes ☒ 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? ☐ 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.)	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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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

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

X

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
WILLIAM H. DALE 52 LOCUST ROAD WINNETKA IL 60093	TRUSTEE 0.50	0.	0.	0.
JEANNE H. DALE 52 LOCUST ROAD WINNETKA IL 60093	TRUSTEE 0.50	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	
2	
3	
4	

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

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

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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	2,989,254.
b Average of monthly cash balances	1b	133,328.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	3,122,582.
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	3,122,582.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	46,839.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,075,743.
6 Minimum investment return. Enter 5% of line 5	6	153,787.

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	153,787.
2a Tax on investment income for 2011 from Part VI, line 5	2a	1,100.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,100.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	152,687.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	152,687.
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	152,687.

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	300,000.
b Program-related investments — total from Part IX-B	1b	
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	300,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	1,100.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	298,900.

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				152,687.
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	126,614.			
b From 2007	48,082.			
c From 2008	96,465.			
d From 2009	122,263.			
e From 2010	133,973.			
f Total of lines 3a through e	527,397.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 300,000.				
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				152,687.
e Remaining amount distributed out of corpus	147,313.			
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	674,710.			
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)	126,614.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	548,096.			
10 Analysis of line 9:				
a Excess from 2007	48,082.			
b Excess from 2008	96,465.			
c Excess from 2009	122,263.			
d Excess from 2010	133,973.			
e Excess from 2011	147,313.			

N/A

Form 990-PF, Page 2, Part III, Line 3

Other Increases Stmt

GAIN ON SALE OF STOCKS	25,370.
PRINCIPAL PAYDOWN	930.
Total	26,300.

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
GMW FINANCIAL SERVIC	TAX PREPARATION	800.			
Total		800.			

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
JPMORGAN	INVESTMENT MANAGEMENT	5,707.			
Total		5,707.			

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
SEE ATTACHED INVENTORY SCHEDULE	2,853,150.	2,758,022.
Total	2,853,150.	2,758,022.

		GALEWOOD FOUNDATION - SALES 2011				
DATE	DATE	NAME	Sales 2011	Adjusted Cost	Gain/ (Loss)	
PURCHASED	SOLD					
		DODGE & INTERNATIONAL STOCK FUND		-	-	
2/7/2006		ISHARES RUSSELL 1000 GROWTH INDEX FUND				
5/10/2007	12/19/2011	ISHARES RUSSELL MIDCAP GROWTH FUND	24,151.52	(25,864.32)	(1,712.80)	
6/7/2007	11/30/2011	JPMORGAN ASIA EQUITY FUND	65,737.15	(70,000.00)	(4,262.85)	
6/7/2007	12/15/2011	JPMORGAN INTREPID AMERICA FUND	25,000.00	(31,435.77)	(6,435.77)	
6/7/2007	12/15/2011	JPMORGAN US LARGE CAPITAL CORE PLUS	25,000.00	(27,304.50)	(2,304.50)	
12/22/2006	12/15/2011	PROFESSIONALLY MANAGED PORTFOLIOS	25,000.00	(26,826.58)	(1,826.58)	
5/11/2007	12/15/2011	T ROWE PRICE INTL FUNDS-NEW ASIA FUND	25,000.00	(29,440.38)	(4,440.38)	
1/29/2010	8/11/2011	ISHARES BARCLAYS TIPS BOND FUND	82,146.41	(74,808.91)	7,337.50	
	8/16/2011	JPMORGAN SHORT DURATION BOND FUND	75,000.00	(54,236.16)	20,763.84	
5/14/2009	12/15/2011	JPMORGAN SHORT DURATION BOND FUND	1,000.00	(19,936.73)	(18,936.73)	
9/24/2009	7/13/2011	JPMORGAN STRATEGIC INCOM OPPORTUNITIES F	189,443.47	(188,299.71)	1,143.76	
8/19/2009	8/19/2011	BARCLAYS BRIC 98% PPN MD	34,844.70	(30,940.29)	3,904.41	
7/1/2010	7/22/2011	BREN LINKED TO ASIA BASKET	70,860.00	(60,000.00)	10,860.00	
12/1/2009	9/8/2011	GS 9M EAFE NOTE	38,341.38	(40,000.00)	(1,658.62)	
5/6/2009	1/24/2011	GS EAFE NOTE	40,071.86	(40,000.00)	71.86	
10/14/2010	8/18/2011	GS CONT BUFF EQ NOTE	56,500.00	(50,000.00)	6,500.00	
8/19/2009	2/17/2011	HSBC 18M SPX MKT PLS NOTE	39,467.18	(30,000.00)	9,467.18	
4/25/2008	5/2/2011	MORGAN STANLEY ARN SPX 5/2/11	50,000.00	(50,000.00)	-	
	4/14/2011	MS COMMODITY CPN 4/14/11	46,900.00	(40,000.00)	6,900.00	
		GRAND TOTALS FOR A/C 73106-00-6	914,463.67	(889,093.35)	25,370.32	

GALEWOOD FOUNDATION - INVENTORY 2011			
DATE		Inventory	FMV
PURCHASED		@12/31/11	@12/31/11
2/7/2006	AP ALTERNATIVE ASSETS FUND LP	56,841 75	25,350 00
2/2/2011	BARCLAYS BREN ASIA BASKET	40,000 00	34,984 00
8/2/2011	BARCLAYS CONT BUFFERED EQ SPX	70,000 00	87,606 00
3/10/2010	BREN ASIA V EUR DIGIPLUS	30,000 00	34,575 00
4/13/2011	DB CALLABLE PALLDIUM CP NOTE	40,000 00	33,588 00
	DODGE & INTERNATIONAL STOCK FUND	88,371 15	53,877 65
10/6/2010	DREYFUS/LAUREL FUNDS	52,938 12	46,665 45
3/25/2009	EATON VANCE MUT FDS TR (GLOBAL)	64,107 61	60,615 90
6/9/2010	EATON VANCE MUTUAL FUNDS (FLT RT CL 1)	110,000 00	127,313 81
10/24/2011	GS BREN EEM	30,000 00	30,166 80
2/18/2010	GS CONT BUFF EQ SPX	115,000 00	126,451 40
12/15/2010	HIGHBRIDGE DYNAMIC COMMODITIES	53,964 50	55,213 55
2/7/2006	ISHARES RUSSELL 1000 GROWTH INDEX FUND	107,789 80	115,580 00
12/22/2006	ISHARES RUSSELL 2000 INDEX FUND	28,024 00	29,500 00
5/10/2007	ISHARES RUSSELL MIDCAP GROWTH FUND	42,349 28	41,012 25
2/18/2010	JPM BREN DJUBSF3 2/15/12	25,000 00	28,455 00
9/14/2011	JPM BREN EAFE	70,000 00	65,586 00
	JPMORGAN EMERGING MARKETS EQUITY	50,028 79	42,454 48
	JPMORGAN HIGH YIELD BOND FUND	73,862 12	73,668 76
11/27/2009	JPMORGAN INTERNATIONAL CURRENCY INCOME FUND	50,000 00	48,485 36
	JPMORGAN INTERNATIONAL VALUE FUND	58,982 81	59,141 08
6/7/2007	JPMORGAN INTREPID AMERICA FUND	151,166 43	127,829 37
	JPMORGAN MARKET EXPANSION INDEX FUND	100,000 00	97,578 20
2/28/2007	JPMORGAN MID CAP VALUE FUND	60,000 00	54,414 60
5/14/2009	JPMORGAN SHORT DURATION BOND FUND	259,393 45	266,950 97
9/24/2009	JPMORGAN STRATEGIC INCOM OPPORTUNITIES FUND	243,995 84	240,870 37
8/9/2011	JPMORGAN TR INFL MANAGED BD	95,000 00	93,571 42
6/7/2007	JPMORGAN US LARGE CAPITAL CORE PLUS	222,695 50	224,292 91
7/27/2007	JPMORGAN US REAL ESTATE FUND	49,905 80	41,154 04
8/19/2010	LONGLEAF PARTNERS FUND TRUST	80,000 00	86,878 57
6/12/2009	MATTHEWS PACIFIC TIGER FUND	65,000 00	73,511 79
9/2/2011	MS 95% PPN BRTIC BASKET	25,000 00	22,000 00
12/22/2006	PROFESSIONALLY MANAGED PORTFOLIOS	88,173 42	90,767 13
4/27/2011	SG REN SPX	70,000 00	65,597 00
5/11/2007	T ROWE PRICE INTL FUNDS-NEW ASIA FUND	85,559 62	72,314 90
		2,853,149 97	2,758,021 76