



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2011

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

, and ending

Name of foundation THE BERNER CHARITABLE AND SCHOLARSHIP FOUNDATION		A Employer identification number 36-3923844
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 06560	Room/suite	B Telephone number (321) 782-5885
City or town, state, and ZIP code CHICAGO, IL 60606-6560		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 7,676,912.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	12.	12.		STATEMENT 1
	4 Dividends and interest from securities	371,415.	371,415.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	7,238.			
	b Gross sales price for all assets on line 6a	912,603.			
	7 Capital gain net income (from Part IV, line 2)		7,238.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	74.	74.		STATEMENT 3	
12 Total. Add lines 1 through 11	378,739.	378,739.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	89,100.	71,280.		17,820.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees	10,131.	8,105.		2,026.
	c Other professional fees				
	17 Interest				
	18 Taxes	8,159.	803.		7,356.
	19 Depreciation and depletion	2,212.	2,212.		
	20 Occupancy	12,759.	10,207.		2,552.
	21 Travel, conferences, and meetings	1,440.	1,152.		288.
	22 Printing and publications				
	23 Other expenses	1,635.	1,308.		327.
	24 Total operating and administrative expenses. Add lines 13 through 23	125,436.	95,067.		30,369.
	25 Contributions, gifts, grants paid	439,052.			439,052.
26 Total expenses and disbursements. Add lines 24 and 25	564,488.	95,067.		469,421.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<185,749.>				
b Net investment income (if negative, enter -0-)		283,672.			
c Adjusted net income (if negative, enter -0-)			N/A		

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

Form 990-PF (2011)

36-3923844 Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		458,239.	500,378.	500,379.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 8	6,629,613.	6,457,393.	5,927,449.
	c	Investments - corporate bonds	STMT 9	1,236,953.	1,181,286.	1,249,084.
11	Investments - land, buildings, and equipment, basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment, basis ▶	5,880.				
	Less: accumulated depreciation STMT 10 ▶	5,880.				
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		8,324,805.	8,139,057.	7,676,912.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		8,324,805.	8,139,057.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
29	Retained earnings, accumulated income, endowment, or other funds		0.	0.		
30	Total net assets or fund balances		8,324,805.	8,139,057.		
31	Total liabilities and net assets/fund balances		8,324,805.	8,139,057.		

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	8,324,805.
2	Enter amount from Part I, line 27a	2	<185,749.>
3	Other increases not included in line 2 (itemize) ▶ <u>ROUNDING</u>	3	1.
4	Add lines 1, 2, and 3	4	8,139,057.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,139,057.

Form 990-PF (2011)

123511
12-02-11

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

Form 990-PF (2011)

36-3923844 Page 4

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	5,673.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	5,673.
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	5,673.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 4,800.		
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	4,800.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	11.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	884.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
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>	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
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>	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XIV.</i>	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> IL		
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>	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	X

Form 990-PF (2011)

m3

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

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?	13	X	

Website address ► N/A

14 The books are in care of ► RUBEN R. VERNOF Telephone no. ► 312-782-5885
 Located at ► P.O. BOX 06560, CHICAGO, IL ZIP+4 ► 60606-6560

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

16 At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?
 See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►

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

Form 990-PF (2011)

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**
Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)
5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☒ Yes ☐ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here

☐
5b
X
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A
☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

6b
X
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A
7b
Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors
1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RUBEN R. VERNOF	TRUSTEE			
P.O. BOX 06560				
CHICAGO, IL 60606-6560	10.00	74,250.	0.	0.
NORMAN N. SCHWARTZ	TRUSTEE			
P.O. BOX 06560				
CHICAGO, IL 60606-6560	2.00	14,850.	0.	0.

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

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

Total number of other employees paid over \$50,000

☐ 0

Form 990-PF (2011)

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

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

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

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

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3

0.

Form 990-PF (2011)

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

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	7,818,230.
b	Average of monthly cash balances	1b	373,034.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	8,191,264.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	8,191,264.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	122,869.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,068,395.
6	Minimum investment return. Enter 5% of line 5	6	403,420.

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	403,420.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	5,673.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,673.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	397,747.
4	Recoveries of amounts treated as qualifying distributions	4	204,624.
5	Add lines 3 and 4	5	602,371.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	602,371.

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	469,421.
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	469,421.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	469,421.

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.

Form 990-PF (2011)

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Page 9

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				602,371.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	104,674.			
b From 2007				
c From 2008	187,529.			
d From 2009	181,246.			
e From 2010				
f Total of lines 3a through e	473,449.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$	469,421.			
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				469,421.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	132,950.			132,950.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	340,499.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			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)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	340,499.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008	159,253.			
c Excess from 2009	181,246.			
d Excess from 2010				
e Excess from 2011				

Form 990-PF (2011)

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

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

(4) Gross investment income

2011.03031 THE BERNER CHARITABLE AND S BE965001

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

Form 990-PF (2011)

36-3923844 Page 11

Part XV **Supplementary Information** (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution * *	Amount
Name and address (home or business)				
a Paid during the year				
ABERNATHY, MARY R. LAGRANGE COLLEGE LAGRANGE, GA 30240	NONE	N/A	SCHOLARSHIP GRANT	14,276.
ADKINS, CELESTE, A. UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	19,939.
ALS FOUNDATION, INC. (LES TURNER AMYTROPHIC LATERAL SCLEROSIS FDTN.) 5550 W. TOUHY SKOKIE, IL 60077	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	5,000.
AMERICAN CANCER SOCIETY 225 N. MICHIGAN AVE, SUITE 1200 CHICAGO, IL 60601	NONE	PUBLIC CHARITY	CANCER RESEARCH, PREVENTION AND EDUCATION	10,000.
AMERICAN HEART ASSOCIATION 208 S. LASALLE ST., SUITE 1500 CHICAGO, IL 60604	NONE	PUBLIC CHARITY	RESEARCH OF HEART DISEASE AND ITS PREVENTION	10,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				643,677.
b Approved for future payment				
CHILDREN'S ONCOLOGY SERVICES INC. 213 W. INSTITUTE PLACE CHICAGO, IL 60610	NONE	PUBLIC CHARITY	CANCER RESEARCH, PREVENTION AND EDUCATION	15,000.
Total ▶ 3b				15,000.

Form **990-PF** (2011)

Form 990-PF (2011)

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash		X
	(2) Other assets		X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

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

b If "Yes," complete the following schedule.

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

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge				May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Signature of officer or trustee <i>Roderic R. Vernoof, Trustee</i>		Date <i>05/11/12</i>			Title TRUSTEE	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature <i>E.P.A.</i>		Date	Check <input type="checkbox"/> if self-employed	PTIN
	LINDA M. NEYLON		<i>Linda M. Neylon</i>		05/10/12		P00234818
	Firm's name ▶ VERNOF, SCHWARTZ AND COMPANY, C.P.A.'S					Firm's EIN ▶ 36-3079637	
	Firm's address ▶ 300 S. WACKER DRIVE, SUITE 2850 CHICAGO, IL 60606					Phone no. (312) 782-5885	

Form **990-PF** (2011)

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
AMERICAN RED CROSS OF CHICAGO 2200 W. HARRISON ST. CHICAGO, IL 60612	NONE	PUBLIC CHARITY	PROVIDE IMMEDIATE BASIS NEEDS TO VICTIMS OF DISASTER	1,500.
AMERICAN SOCIETY FOR TECHNION 55 E 59TH STREET NEW YORK, NY 10022	NONE	PUBLIC CHARITY	EDUCATIONAL	1,500.
ASPCA 520 EIGHTH AVENUE NEW YORK, NY 10018	NONE	PUBLIC CHARITY	PREVENTION OF CRUELTY TO ANIMALS	1,500.
AUBURN FUND 317 SOUTH COLLEGE STREET AUBURN, AL 36849	NONE	N/A	EDUCATIONAL	1,500.
BOWEN, TREVOR ARMSTRONG ATLANTIC STATE UNIVERSITY SAVANNAH, GA 31419	NONE	N/A	SCHOLARSHIP GRANT	10,000.
BRADSHAW, JONATHAN UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	9,000.
BUCKNER, JOHN MERCER UNIVERSITY MACON, GA 31207	NONE	N/A	SCHOLARSHIP GRANT	10,000.
BURKE, SAVANNAH COLUMBUS STATE COLLEGE COLUMBUS, GA 31907	NONE	N/A	SCHARSHIP GRANT	1,200.
BYERS, EMILY AUBURN UNIVERSITY AUBURN, AL 36849	NONE	N/A	SCHOLARSHIP GRANT	15,000.
CHEW, ALEXANDER UNIVERSITY OF ILLINOIS - CHICAGO CHICAGO, IL 60607	NONE	N/A	SCHOLARSHIP GRANT	20,000.
Total from continuation sheets				584,462.

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
CHICAGO LIGHTHOUSE FOR THE BLIND 1850 W. ROOSEVELT ROAD CHICAGO, IL 60608-9927	NONE	PUBLIC CHARITY	SERVICES TO BLIND AND VISUALLY IMPAIRED	10,000.
CHILDREN'S ONCOLOGY SERVICES INC. 213 W. INSTITUTE PLACE CHICAGO, IL 60610	NONE	PUBLIC CHARITY	CANCER RESEARCH, PREVENTION AND EDUCATION	5,000.
COCHRAN, LAUREN AUBURN UNIVERSITY AUBURN, AL 36849	NONE	N/A	SCHOLARSHIP GRANT	5,000.
CONNELL, KELSEY LA GRANGE COLLEGE LAGRANGE, GA 30240	NONE	N/A	SCHOLARSHIP GRANT	7,748.
DAHEL, JULIA RUSH UNIVERSITY CHICAGO, IL 60612	NONE	N/A	SCHOLARSHIP GRANT	5,000.
DANIELS, ANNA K. AUBURN UNIVERSITY AUBURN, AL 36849	NONE	N/A	SCHOLARSHIP GRANT	15,000.
DOCTORS WITHOUT BORDERS 333 SEVENTH AVENUE NEW YORK, NY 10001	NONE	PUBLIC CHARITY	PROVIDE MEDICAL ASSISTANCE	1,500.
EPILEPSY FOUNDATION 4351 GARDEN CITY DRIVE LANDOVER, MD 20785	NONE	PUBLIC CHARITY	AWARENESS, EDUCATION AND RESEARCH FOR EPILEPSY	1,500.
FARMER, ZACHARY BERRY COLLEGE MOUNT BERRY, GA 30149	NONE	N/A	SCHOLARSHIP GRANT	10,000.
FEUERSTEIN, ALEXANDRA UNIVERSITY OF INDIANA INDIANAPOLIS, IN 46206	NONE	N/A	SCHOLARSHIP GRANT	13,121.
Total from continuation sheets				

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
FOWLER, PATRICIA UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	6,500.
GALSTER, ELEANOR UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	10,718.
GARRETT, DANIEL LAGRANGE COLLEGE LAGRANGE, GA 30240	NONE	N/A	SCHOLARSHIP GRANT	6,579.
GEORGIA STATE UNIVERSITY FOUNDATION P.O. BOX 3963 ATLANTA, GA 30302	NONE	PRIVATE FOUNDATION	SCHOLARSHIP FUND	180,449.
GLENWOOD WEST 41W400 SILVER GLEN ROAD ST. CHARLES, IL 60175	NONE	PUBLIC CHARITY	EDUCATIONAL	1,500.
GOOD SHEPHERD THERAPEUTIC CENTER SCHOOL P.O. BOX 659 WARM SPRINGS, GA 31830	NONE	PUBLIC CHARITY	PROVIDE COUNSELING, SOCIAL SERVICES AND THE ACADEMIC NEEDS OF TROUBLED ADOLESCENT BOYS THROUGH A UNIQUE	1,000.
GOODSON, JOSHUA A. AUBURN UNIVERSITY AUBURN, AL 36849	NONE	N/A	SCHOLARSHIP GRANT.	10,000.
HATCHER, RICHMOND UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	9,000.
HOSIMER, PAMELA UNIVERSITY OF MARYLAND COLLEGE PARK, MD 20740	NONE	N/A	SCHOLARSHIP GRANT	5,181.
JOHNS HOPKINS UNIVERSITY (WILMER EYE INSTITUTE) 600 NORTH WOLFE STREET BALTIMORE, MD 21287	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
Total from continuation sheets				

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
LAMPING, KYLE INDIANA UNIVERSITY INDIANAPOLIS, IN 46206	NONE	N/A	SCHOLARSHIP GRANT	5,000.
LASERSON, SAMANTHA HUNTER COLLEGE NEW YORK, NY 10065	NONE	N/A	SCHOLARSHIP GRANT.	10,000.
LAUBE, REBECCA AUBURN UNIVERSITY AUBURN, AL 36849	NONE	N/A	SCHOLARSHIP GRANT	15,000.
LEUKEMIA & LYMPHOMA SOCIETY 651 W. WASHINGTON BLVD., #400 CHICAGO, IL 60661	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
LITTLE CITY FOUNDATION P.O. BOX 8128 PALATINE, IL 60078	NONE	PUBLIC CHARITY	HUMANITARIAN	1,500.
MACULAR DEGENERATION RESEARCH 22512 GATEWAY CENTER DRIVE CLARKSBURG, MD 20871	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
MANGOLD, AARON RUSH UNIVERSITY CHICAGO, IL 60612	NONE	N/A	SCHOLARSHIP GRANT	5,000.
MAYO FOUNDATION - DEPARTMENT OF DEVELOPMENT 200 FIRST STREET S.W. ROCHESTER, MN 55905	NONE	PRIVATE FOUNDATION	MEDICAL RESEARCH	10,000.
MOSER-BLIEL, EVAN K. RUSH UNIVERSITY CHICAGO, IL 60612	NONE	N/A	SCHOLARSHIP GRANT.	5,000.
NATIONAL MULTIPLE SCLEROSIS SOCIETY 525 W. MONROE ST. CHICAGO, IL 60661	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
Total from continuation sheets				

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
NORKIEWICZ, KENNETH UNIVERSITY OF ILLINOIS CHICAGO, IL 60607	NONE	N/A	SCHOLARSHIP GRANT	10,000.
NORTH SHORE UNIVERSITY HEALTH SYSTEM FOUNDATION 1033 UNIVERSITY PLACE, #450 EVANSTON, IL 60201	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
ORGAN TRANSPLANT SUPPORT P.O. BOX 471 NAPERVILLE, IL 60566	NONE	PUBLIC CHARITY	PROVIDES SUPPORT, COUNSELING, EDUCATION AND INFORMATIONAL PROGRAMS AND MATERIALS ON TRANSPLANTATION FOR	5,000.
PARKINSON'S DISEASE FOUNDATION 1359 BROADWAY, #1509 NEW YORK, NY 10018	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
PATRICK, RACHEL UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	10,000.
PETS FOR THE ELDERLY FOUNDATION P.O. BOX 226 WICKLIFFE, OH 44092	NONE	PUBLIC CHARITY	HELPING TO UNITE UNWANTED PETS WITH LONELY SENIOR CITIZENS	1,500.
PLOTKIN, YAELE INDIANA UNIVERSITY BLOOMINGTON, IN 47406	NONE	N/A	SCHOLARSHIP GRANT	13,360.
PRATHER, AKERA FORT VALLEY STATE UNIVERSITY FORT VALLEY, GA 31030	NONE	N/A	SCHOLARSHIP GRANT	7,500.
REACH FOR EXCELLENCE 3790 ASHFORD DUNWOODY ROAD ATLANTA, GA 30319	NONE	PUBLIC CHARITY	EDUCATIONAL ASSISTANCE	1,500.
RESPIRATORY HEALTH ASSOCIATION 1440 W. WASHINGTON BLVD. CHICAGO, IL 60607	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
Total from continuation sheets				

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

36-3923844

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
ROSENBALM, KATIE UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	10,000.
ROTWEIN, KELSEY UNIVERSITY OF ILLINOIS-CHGO CHICAGO, IL 60607	NONE	N/A	SCHOLARSHIP GRANT	5,000.
SCHANDELMEIER-BARTELS, CATHLEEN NORTHEASTERN ILLINOIS UNIVERSITY CHICAGO, IL 60625	NONE	N/A	SCHOLARSHIP GRANT	2,327.
SIMON, AUSTIN ILLINOIS STATE UNIVERSITY NORMAL, IL 61761	NONE	N/A	SCHOLARSHIP GRANT	10,000.
SIMON, BRETT ILLINOIS STATE UNIVERSITY NORMAL, IL 61761	NONE	N/A	SCHOLARSHIP GRANT	9,897.
SOLOMON SCHECHTER DAY SCHOOL 3210 DUNDEE ROAD NORTHBROOK, IL 60062	NONE	PUBLIC CHARITY	EDUCATIONAL	1,500.
ST. JUDE'S CHILDRENS RESEARCH HOSPITAL 501 ST. JUDE PLACE MEMPHIS, TN 38105	NONE	PUBLIC CHARITY	MEDICAL RESEARCH	1,500.
VEAL, DEANA UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE	N/A	SCHOLARSHIP GRANT	10,000.
WEINDRUCH, KELSEY LUTHER COLLEGE DECORAH, IA 52101	NONE	N/A	SCHOLARSHIP GRANT	10,000.
WEISS, JORIE COLUMBIA COLLEGE CHICAGO, IL 60605	NONE	N/A	SCHOLARSHIP GRANT	9,886.
Total from continuation sheets				

36-3923844.

3 Grants and Contributions Paid During the Year (Continuation)**Total from continuation sheets**

Part XV Supplementary Information

3a Grants and Contributions Paid During the Year Continuation of Purpose of Grant or Contribution

NAME OF RECIPIENT - GOOD SHEPHERD THERAPEUTIC CENTER SCHOOL

PROVIDE COUNSELING, SOCIAL SERVICES AND THE ACADEMIC NEEDS OF TROUBLED
ADOLESCENT BOYS THROUGH A UNIQUE FARM-BASED TREATMENT PROGRAM.

NAME OF RECIPIENT - ORGAN TRANSPLANT SUPPORT

PROVIDES SUPPORT, COUNSELING, EDUCATION AND INFORMATIONAL PROGRAMS AND
MATERIALS ON TRANSPLANTATION FOR TRANSPLANT RECIPIENTS, CANDIDATES,
THEIR FAMILIES, HEALTH CARE PROFESSIONALS, AND TRANSPLANT CENTERS

2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	MINOLTA PHOTOCOPIER	12/15/05	200DB	5.00	17	3,668.			3,668.	3,668.		0.
	FIREPROOF FILE											
2	CABINET	08/17/11	200DB	5.00	19B	2,212.		2,212.				2,212.
	* TOTAL 990-PF PG 1											
	DEPR					5,880.		2,212.	3,668.	3,668.	0.	2,212.

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

SOURCE	AMOUNT
CHASE BANK	7.
US BANK	5.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	12.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS AND INTEREST FROM SECURITIES	371,415.	0.	371,415.
TOTAL TO FM 990-PF, PART I, LN 4	371,415.	0.	371,415.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	74.	74.	
TOTAL TO FORM 990-PF, PART I, LINE 11	74.	74.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
VERNOF, SCHWARTZ & CO., C.P.A.'S	10,131.	8,105.		2,026.
TO FORM 990-PF, PG 1, LN 16B	10,131.	8,105.		2,026.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	803.	803.		0.	
EXCISE TAXES	7,356.	0.		7,356.	
TO FORM 990-PF, PG 1, LN 18	8,159.	803.		7,356.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE	750.	600.		150.	
BANK CHARGES	190.	152.		38.	
PROFESSIONAL DUES	695.	556.		139.	
TO FORM 990-PF, PG 1, LN 23	1,635.	1,308.		327.	

FOOTNOTES				STATEMENT	7
-----------	--	--	--	-----------	---

1. THE SCHOLARSHIP SELECTION COMMITTEE CONSISTS OF RUBEN R. VERNOF, CO-TRUSTEE, JEFFREY TODD, WILLIS GODOWNS, BARNEY BERLIN, DAVID KLEINERMAN, MARTHA ANN TODD AND LINDA NEYLON. A MAJORITY OF THE COMMITTEE SHALL ELECT THE PERSON OR PERSONS TO WHOM THE SCHOLARSHIPS ARE AWARDED.

2. ONLY RESIDENTS OF THE UNITED STATES OF AMERICA ARE ELIGIBLE TO BE RECIPIENTS OF THESE SCHOLARSHIPS. ELIGIBLE STUDENTS ARE THOSE WHO ARE PLANNING TO ATTEND OR ARE ATTENDING ANY ACCREDITED UNITED STATES COLLEGE OR UNIVERSITY GRANTING ANY OF THE FOLLOWING DEGREES: BACHELORS, MASTERS, DOCTOR OF PHILOSOPHY, DOCTOR OF MEDICINE, DOCTOR OF DENTISTRY, DOCTOR OF LAWS, DOCTOR OF VETERINARY MEDICINE OR OTHER COMMONLY ACCEPTED ACCREDITED ADVANCED DEGREES.

3. PERSONS OF BOTH SEXES AND ALL AGES, RACES AND RELIGIONS SHALL BE ELIGIBLE TO RECEIVE THESE SCHOLARSHIPS. SELECTION SHALL BE BASED ON SCHOLASTIC ACHIEVEMENT OR THE POTENTIAL TO MAKE SCHOLASTIC ACHIEVEMENTS, FINANCIAL NEED AND DEMONSTRATED QUALITY OF LEADERSHIP.

4. THE NUMBER OF POTENTIAL RECIPIENTS WILL DEPEND ON THE

AMOUNT OF AVAILABLE FUNDS, AND IT IS ANTICIPATED TO BE AT LEAST FOUR (4) PER YEAR.

5. APPLICANTS MUST GRADUATE FROM HIGH SCHOOL WITH A "C" AVERAGE OR BETTER IF THE SCHOLARSHIP IS FOR AN UNDERGRADUATE DEGREE. IF THE STUDENT IS SEEKING A GRADUATE DEGREE, HE OR SHE MUST HAVE GRADUATED COLLEGE WITH A "C" OR BETTER AVERAGE. APPLICANTS MUST ENROLL AS FULL-TIME STUDENTS AND CARRY A FULL-TIME COURSE LOAD.

6. THE AVAILABILITY OF THE GRANT WILL BE PUBLICIZED THROUGH THE FINANCIAL AID OFFICES OF THE RESPECTIVE SCHOOLS.

7. THE GRANT WILL BE PAID TO THE RECIPIENT, TO HIS OR HER FAMILY, OR DIRECTLY TO THE COLLEGE OR UNIVERSITY FOR THE BENEFIT OF THE RECIPIENT.

A) ARRANGEMENTS WILL BE MADE TO RECEIVE REPORTS OF COURSES TAKEN AND GRADES IN EACH ACADEMIC PERIOD.

B) IN THE EVENT THAT A RECIPIENT SHALL FAIL TO MAINTAIN AN AVERAGE OF "C" OR BETTER, SHOULD ABANDON COLLEGE OR UNIVERSITY ATTENDANCE, SHOULD DIE, OR SHOULD FAIL TO COMPLETE ONE ACADEMIC YEAR WITHIN TWELVE (12) MONTHS FROM THE BEGINNING OF THE SCHOLASTIC YEAR NEXT FOLLOWING HIS OR HER AWARD, THE SCHOLARSHIP SHALL BE TERMINATED IN THE DISCRETION OF THE SELECTION COMMITTEE AND THE UNUSED PORTIONS OF THE SCHOLARSHIP SHALL BE PROMPTLY REFUNDED TO THE TRUSTEE.

C) THE SELECTION COMMITTEE SHALL SELECT ONE OR MORE ALTERNATES WHO SHALL BE THE RECIPIENTS OF THE SCHOLARSHIPS PREVIOUSLY AWARDED TO PERSONS WHO, PRIOR TO BEGINING SUCH ADACEMIC YEAR, FAIL TO ENTER HIS OR HER COLLEGE OR UNIVERSITY.

8. NO GRANTS WILL BE AWARDED TO ANY DISQUALIFIED PERSON AS DESCRIBED IN SEC. 4946(A) OF THE INTERNAL REVENUE CODE.

9. THE RECIPIENT WILL BE REQUIRED TO EXECUTE A PROMISSORY NOTE IN ACCORDANCE WITH THE TERMS OF THE TRUST DOCUMENT AND NO SECURITY WILL BE REQUIRED.

10. THE PROCEDURES IN MAKING AND MANAGING THE LOAN PORTION OF THE SCHOLARSHIP GRANTS WILL NOT DIFFER IN ANY MATERIAL WAY FROM THE PROCEDURES DESCRIBED IN 1, 2, 3, 5, 6 AND 7.

11. TO THE EXTENT THAT THE TRUSTEE ELECTS NOT TO DISTRIBUTE THE ENTIRE NET INCOME OF THE TRUST IN ANY YEAR FOR SCHOLARSHIP PURPOSES, THE TRUSTEE SHALL DISTRIBUTE THE BALANCE OF THE NET INCOME FOR ANY SUCH YEAR TO ANY ONE OR MORE CHARITABLE ORGANIZATIONS AS THE TRUSTEE SHALL DEEM APPROPRIATE.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
-------------	-----------------	-----------	---

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN KEEGAN - SEE STATEMENT ATTACHED	5,427,883.	4,632,446.
WAYNE HUMMER ACCOUNT - SEE STATEMENT ATTACHED	1,029,510.	1,295,003.
TOTAL TO FORM 990-PF, PART II, LINE 10B	6,457,393.	5,927,449.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
-------------	-----------------	-----------	---

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN KEEGAN - SEE STATEMENT ATTACHED	1,126,133.	1,195,176.
WAYNE HUMMER ACCOUNT - SEE STATEMENT ATTACHED	55,153.	53,908.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,181,286.	1,249,084.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	10
-------------	--	-----------	----

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
MINOLTA PHOTOCOPIER	3,668.	3,668.	0.
FIREPROOF FILE CABINET	2,212.	2,212.	0.
TOTAL TO FM 990-PF, PART II, LN 14	5,880.	5,880.	0.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a THRU MORGAN KEEGAN CO. - C.I.L.	P	VARIOUS	VARIOUS
b THRU MORGAN KEEGAN CO - SEE STATEMENT	P	VARIOUS	VARIOUS
c THRU MORGAN KEEGAN CO - SEE STATEMENT	P	VARIOUS	VARIOUS
d THRU WAYNE HUMMER - SEE STATEMENT	P	10/31/97	02/08/11
e CAPITAL GAIN DISTRIBUTIONS	P	VARIOUS	VARIOUS

(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 4.			4.
b 66,137.		81,075.	<14,938.>
c 787,728.		774,360.	13,368.
d 50,000.		49,930.	70.
e 8,734.			8,734.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			4.
b			<14,938.>
c			13,368.
d			70.
e			8,734.

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	7,238.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	420,859.	7,886,415.	.053365
2009	610,345.	6,649,601.	.091787
2008	683,578.	8,439,316.	.080999
2007	709,477.	10,504,941.	.067537
2006	746,508.	10,445,401.	.071468

2 Total of line 1, column (d)	2	.365156
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	.073031
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	8,068,395.
5 Multiply line 4 by line 3	5	589,243.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,837.
7 Add lines 5 and 6	7	592,080.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	469,421.

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

**BALANCE SHEET - LINE 10
2011
MORGAN KEEGAN ACCOUNT**

36-3923844

<u># Shares</u> <u>Face</u>	<u>Description</u>	<u>Beginning of Year</u> <u>Book Value</u>	<u>End of Year</u> <u>Book Value</u>	<u>End of Year</u> <u>FMV</u>
<u>U.S. and State Government Obligations</u>				
Totals, to Line 10a				
		\$ -	\$ -	\$ -
<u>Common Stocks</u>				
2,000	AFLAC, INC	\$ 13,500	\$ 13,500	\$ 86,520
7,000	AFLAC, INC	\$ 302,247	\$ 302,247	\$ 302,820
1,000	AFLAC, INC	\$ 23,827	\$ 23,827	\$ 43,260
3,000	AFLAC, INC.	\$ 77,308	\$ 77,308	\$ 129,780
1,000	AFLAC, INC	\$ -	\$ 36,936	\$ 43,260
1,000	AFLAC, INC	\$ -	\$ 35,718	\$ 43,260
3,000	ALCOA, INC	\$ 33,488	\$ 33,488	\$ 25,950
3,000	ALCOA, INC	\$ 31,865	\$ 31,865	\$ 25,950
1,000	AMERICAN GREETINGS CORP	\$ -	\$ 23,054	\$ 12,510
2,000	A T & T, INC	\$ 52,213	\$ 52,213	\$ 60,480
1,000	A T & T, INC	\$ 26,519	\$ 26,519	\$ 30,240
1,000	A T & T, INC	\$ -	\$ 28,402	\$ 30,240
2,000	BANK OF AMERICA CORP	\$ 74,412	\$ 74,412	\$ 11,120
2,000	BANK OF AMERICA CORP	\$ 76,118	\$ 76,118	\$ 11,120
2,000	BANK OF AMERICA CORP	\$ 100,447	\$ 100,447	\$ 11,120
430	BANK OF AMERICA CORP	\$ 29,164	\$ 29,164	\$ 2,391
430	BANK OF AMERICA CORP	\$ 34,229	\$ 34,229	\$ 2,391
859	BANK OF AMERICA CORP	\$ 48,394	\$ 48,394	\$ 4,776
5,181	BANK OF AMERICA CORP	\$ 85,567	\$ 85,567	\$ 28,806
500	BERKSHIRE HATHAWAY, INC CLASS B	\$ 35,967	\$ 35,967	\$ 38,150
1,000	BP AMOCO PLC, ADR	\$ 55,935	\$ 55,935	\$ 42,740
1,000	BP AMOCO PLC, ADR	\$ 36,512	\$ 36,512	\$ 42,740
1,000	CHEVRON CORP	\$ 57,876	\$ 57,876	\$ 106,400
2,000	CISCO SYSTEMS INC	\$ -	\$ 35,808	\$ 36,160
1,000	CITIGROUP INC	\$ 50,908	\$ 50,908	\$ 26,310
1,000	CONOCOPHILLIPS	\$ 58,158	\$ 58,158	\$ 72,870
1,000	CONOCOPHILLIPS	\$ 57,926	\$ 57,926	\$ 72,870
1,000	CONOCOPHILLIPS	\$ 69,157	\$ 69,157	\$ 72,870
2,000	R R DONNELLEY & SONS CO	\$ 87,262	\$ 87,262	\$ 28,860
2,000	R R DONNELLEY & SONS CO	\$ -	\$ 39,809	\$ 28,860
2,500	EATON VANCE TAX-MANAGED DIVERSIFIED EQ FD	\$ 46,715	\$ 46,715	\$ 22,175
2,500	EATON VANCE TAX-MANAGED DIVERSIFIED EQ FD	\$ 38,966	\$ 38,966	\$ 22,175
5,000	EATON VANCE TAX-MGD GLOBAL DIV EQ FD	\$ 93,939	\$ 93,939	\$ 41,250
3,000	EATON VANCE TAX-MGD GLOBAL DIV EQ FD	\$ 37,826	\$ 37,826	\$ 24,750
2,500	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD	\$ 52,056	\$ 52,056	\$ 26,125
64	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD. - DR	\$ 1,125	\$ 1,125	\$ 669
259	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD - DR	\$ 4,784	\$ 4,784	\$ 2,707
76	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD. - DR	\$ 1,260	\$ 1,260	\$ 794
1,200	FIFTH THIRD BANK	\$ 12,812	\$ 12,812	\$ 15,264
1198 75	FIRST HORIZON NATIONAL CORP	\$ 28,048	\$ 28,048	\$ 9,590
1198 75	FIRST HORIZON NATIONAL CORP	\$ 27,051	\$ 27,051	\$ 9,590
2397 5	FIRST HORIZON NATIONAL CORP	\$ 48,478	\$ 48,478	\$ 19,180
1000	FORD MOTOR COMPANY	\$ -	\$ 14,884	\$ 10,760
3000	FORD MOTOR COMPANY	\$ -	\$ 32,800	\$ 32,280
1000	FREEMPORT MCMORAN COPPER & GOLD CL B	\$ -	\$ 52,136	\$ 36,790
2,000	GENERAL ELECTRIC CO	\$ 24,769	\$ 24,769	\$ 35,820
1,000	GENERAL MOTORS COMPANY (NEW)	\$ -	\$ 38,495	\$ 20,270
500	GENERAL MOTORS COMPANY (NEW)	\$ -	\$ 16,152	\$ 10,135
100	HOSPIRA INC	\$ -	\$ 5,762	\$ 3,037

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

**BALANCE SHEET - LINE 10
2011
MORGAN KEEGAN ACCOUNT**

36-3923844

<u># Shares</u>			<u>Beginning of Year</u>		<u>End of Year</u>		<u>End of Year</u>
<u>Face</u>	<u>Description</u>		<u>Book Value</u>		<u>Book Value</u>		<u>FMV</u>
1,000	INTEL CORP	\$	23,282	\$	23,282	\$	24,250
2,000	INTEL CORP	\$	46,328	\$	46,328	\$	48,500
3,000	INTEL CORP	\$	64,723	\$	64,723	\$	72,750
2,000	INTERNATIONAL PAPER CO	\$	41,395	\$	41,395	\$	59,200
1,000	JOHNSON & JOHNSON	\$	66,826	\$	66,826	\$	65,580
2,000	JP MORGAN CHASE & CO	\$	74,207	\$	74,207	\$	66,500
1,000	KAYNE ANDERSON MLP INVT COMPANY	\$	20,161	\$	20,161	\$	30,370
2,000	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	44,086	\$	44,086	\$	50,620
135	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	3,778	\$	3,778	\$	3,417
209	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	4,516	\$	4,516	\$	5,290
87	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	1,211	\$	1,211	\$	2,202
3,000	KAYNE ANDERSON ENERGY DEV CO	\$	62,804	\$	62,804	\$	64,230
1,000	KRAFT FOODS, INC	\$	28,546	\$	28,546	\$	37,360
2,500	LOWES COMPANIES INC	\$	71,547	\$	-		
4,000	MANULIFE FINANCIAL CORP FTW	\$	-	\$	41,715	\$	42,480
1,000	MEDTRONIC INC	\$	45,453	\$	45,453	\$	38,250
500	MERCK & COMPANY, INC.	\$	22,354	\$	-	\$	-
1,000	MERCK & COMPANY, INC	\$	33,347	\$	-	\$	-
1,000	MERCK & COMPANY, INC	\$	49,653	\$	-	\$	-
1,000	MICROSOFT CORP	\$	34,865	\$	34,865	\$	25,960
1,000	MICROSOFT CORP	\$	-	\$	26,145	\$	25,960
1,000	PEABODY ENERGY CORP	\$	-	\$	36,132	\$	33,110
1,000	PEPSICO, INC	\$	50,721	\$	50,721	\$	66,350
500	PEPSICO, INC	\$	21,043	\$	21,043	\$	33,175
2,000	PFIZER INC	\$	53,159	\$	-	\$	-
2,000	PFIZER INC	\$	50,464	\$	-	\$	-
500	PRAXAIR, INC	\$	42,171	\$	42,171	\$	53,450
1,000	ROYAL DUTCH SHELL PLC ADR CL A	\$	52,824	\$	52,824	\$	73,090
768	ROYCE FD MICRO CAP FUND	\$	12,840	\$	12,840	\$	10,070
33	ROYCE FD MICRO CAP FUND - DR	\$	250	\$	250	\$	433
6	ROYCE FD MICRO CAP FUND - DR	\$	75	\$	75	\$	79
7	ROYCE FD MICRO CAP FUND - DR	\$	103	\$	103	\$	92
47	ROYCE FD MICRO CAP FUND - DR	\$	-	\$	611	\$	615
2,000	RUBICON TECHNOLOGIES, INC	\$	59,636	\$	59,636	\$	18,780
2,000	RUBICON TECHNOLOGIES, INC	\$	7,678	\$	7,678	\$	18,780
1,000	SHANGPHARMA CORP	\$	-	\$	13,467	\$	7,270
2,000	SUNTRUST BANKS, INC	\$	46,987	\$	46,987	\$	35,400
5,000	SUPERVALU, INC	\$	-	\$	38,807	\$	40,600
1,500	TEXTRON, INC	\$	19,512	\$	-	\$	-
800	VERIZON COMMUNICATIONS	\$	22,535	\$	-	\$	-
1,200	VERIZON COMMUNICATIONS	\$	35,562	\$	-	\$	-
1,000	WASTE MANAGEMENT INC (NEW)	\$	-	\$	30,915	\$	32,710
3,169	WESTERN ASSETS EMERGING MKTS DEBT FD INC	\$	62,157	\$	-	\$	-
500	WALGREEN CO NEW	\$	3,832	\$	3,832	\$	16,530
2,000	WELLS FARGO & CO NEW	\$	58,921	\$	58,921	\$	55,120
398	WELLS FARGO & CO NEW	\$	52,000	\$	52,000	\$	10,969
398	WELLS FARGO & CO NEW	\$	100,426	\$	100,426	\$	10,969
299	WELLS FARGO & CO NEW	\$	41,226	\$	41,226	\$	8,240
<u>PREFERRED STOCKS</u>							
2,000	REPSOL INT'L CAP LTD 7 45%	\$	49,750	\$	-	\$	-
4,000	AEGON N.V CAP SECS, 6.375%	\$	100,000	\$	100,000	\$	77,880
2,000	BAC CAPITAL TRUST III, 7 00%	\$	54,324	\$	54,324	\$	41,480
1,000	BARCLAYS BANK PLC 6 625%	\$	25,000	\$	25,000	\$	18,340
4,500	BARCLAYS BANK PLC 6 625%	\$	98,057	\$	98,057	\$	82,530
2,000	CAPITAL ONE CAPITAL II, 7 50%	\$	50,000	\$	50,000	\$	50,640

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

**BALANCE SHEET - LINE 10
2011
MORGAN KEEGAN ACCOUNT**

36-3923844

<u># Shares</u>		<u>Beginning of Year</u>	<u>End of Year</u>	<u>End of Year</u>
<u>Face</u>	<u>Description</u>	<u>Book Value</u>	<u>Book Value</u>	<u>FMV</u>
2,000	COMCAST CORP, 7 0%	\$ 50,000	\$ -	\$ -
2,000	CORTS FOR UNUMPROVIDENT II, 8.2%	\$ 50,000	\$ 50,000	\$ 51,860
4,000	COUNTRYWIDE CAPITAL V, 7 0%	\$ 100,000	\$ 100,000	\$ 81,120
2,000	DUKE REALTY CORP SER K, 5.842%	\$ 51,500	\$ 51,500	\$ 48,660
4,000	KEYCORP CAPITAL VIII, 7 0%	\$ 100,000	\$ -	\$ -
2,000	MNBA CAP TR PFD SER E, 8.10%	\$ 50,805	\$ 50,805	\$ 46,820
4,000	MORGAN STANLEY CP TR III, 6 25%	\$ 99,880	\$ 99,880	\$ 82,600
2,000	MERRILL LYNCH TR V, 7 28%	\$ 49,665	\$ 49,665	\$ 41,180
4,000	ML CAP TR, 7 0% PERPETUAL	\$ 108,517	\$ 108,517	\$ 79,680
2,490	MERRILL LYNCH PFD CAP TR IV, 7 120%	\$ 39,925	\$ 39,925	\$ 51,269
4,000	NATIONAL CITY CAP TR III, 6 625%	\$ 100,000	\$ 100,000	\$ 102,360
2,000	PARTNERRE LTD , 6 75%	\$ 50,000	\$ 50,000	\$ 50,700
4,000	PROLOGIS INC 6 75% PFD	\$ 102,500	\$ 102,500	\$ 95,920
2,000	PROTECTIVE LIFE CORP 7 25%	\$ 50,000	\$ 50,000	\$ 50,280
2,000	PS BUSINESS PARKS, INC 7 375%	\$ 50,000	\$ 50,000	\$ 50,220
2,000	PUBLIC STORAGE 6 25% PFD	\$ 50,000	\$ 50,000	\$ 50,720
2,000	PUBLIC STORAGE 6 50% PERPETUAL PFD	\$ 51,400	\$ 51,400	\$ 50,960
2,000	PUBLIC STORAGE INC 6.18%	\$ 50,000	\$ 50,000	\$ 50,500
4,000	ROYAL BANK OF SCOTLAND, 5.75%, PFD SER B	\$ 100,720	\$ 100,720	\$ 59,000
2,000	ROYAL BANK OF SCOTLAND, 6 35%, PFD SER N	\$ 50,000	\$ 50,000	\$ 22,400
2,000	SEARS ROEBUCK ACCEPT CO , 7 40%	\$ 50,700	\$ 50,700	\$ 18,500
2,000	TORCHMARK CAP TR III, 7 10	\$ 50,100	\$ 50,100	\$ 50,920
2,000	VORNADO REALTY TRUST, 6.625%	\$ 49,280	\$ 49,280	\$ 50,640
4,000	WACHOVIA CAP TR IX 6 375%	\$ 100,000	\$ 100,000	\$ 100,400
2,700	WACHOVIA CAP TRUST IV, 6 375%	\$ 48,018	\$ 48,018	\$ 67,932
2,000	WELLS FARGO CAPITAL TR IV, 7 0%	\$ 50,000	\$ -	\$ -
Totals, to line 10b		\$ 5,550,174	\$ 5,427,883	\$ 4,632,446

<u>Corporate Bonds</u>				
100,000	AETNA SVC IND DEB, 6.75%	\$ 96,377	\$ 96,377	\$ 107,084
50,000	BANK OF AMERICA CORP, INTERNOTES, 6 0%	\$ -	\$ 48,817	\$ 48,351
100,000	BANKERS TR NY CORP, 7 50%	\$ 102,486	\$ 102,486	\$ 107,714
83,000	DOLE FOODS CO DEB, 7 875%	\$ 85,762	\$ 85,762	\$ 87,150
114,000	FIRST TENNESSEE BANK, 5 05%	\$ 104,321	\$ -	\$ -
109,000	FIRST TENNESSEE BANK, 5 650%	\$ 110,907	\$ 110,907	\$ 109,342
200,000	FORD MOTOR CR MEDTERM 7 30%	\$ 199,687	\$ 199,687	\$ 200,200
184,000	GA PACIFIC CORP DEB, 7 70%	\$ 182,223	\$ 182,223	\$ 213,909
100,000	IRON MOUNTAIN INC , 8 0%	\$ 99,505	\$ 99,505	\$ 104,250
100,000	BANK OF AMERICA CORP, 7 75%	\$ 104,700	\$ 104,700	\$ 101,132
95,000	NEW AMER HLDG INC, 8 0%	\$ 95,669	\$ 95,669	\$ 116,044
Totals, to line 10c		\$ 1,181,637	\$ 1,126,133	\$ 1,195,176

**THE BERNER CHARITABLE
AND SCHOLARSHIP
FOUNDATION**

**BALANCE SHEET - LINE 10
2011
WAYNE HUMMER ACCOUNT**

36-3923844

<u># Sh/ Face</u>	<u>Description</u>	<u>Beginning of Year Book Value</u>	<u>End of Year Book Value</u>	<u>End of Year FMV</u>
<u>Corporate Stock</u>				
1,000	Cardinal Health, Inc.	\$ 18,103	\$ 18,103	\$ 40,610
800	Cisco Systems Inc.	\$ 11,927	\$ 11,927	\$ 14,464
700	Cisco Systems Inc.	\$ 13,849	\$ 13,849	\$ 12,656
1,000	Cisco Systems Inc.	\$ 20,363	\$ 20,363	\$ 18,080
300	Colgate Palmolive Co	\$ 16,551	\$ 16,551	\$ 27,717
700	Colgate Palmolive Co	\$ 41,331	\$ 41,331	\$ 64,673
1,000	Exxon Mobil Corp.	\$ 41,890	\$ 41,890	\$ 84,760
1,000	General Electric	\$ 52,792	\$ 52,792	\$ 17,910
1,000	General Electric	\$ 41,890	\$ 41,890	\$ 17,910
1,000	Intel Corporation	\$ 31,609	\$ 31,609	\$ 24,250
300	International Business Machine	\$ 36,636	\$ 36,636	\$ 55,164
1,000	IShares IBOXX \$ Corp Bond Fd	\$ 93,267	\$ 93,267	\$ 89,430
100	Johnson & Johnson	\$ 2,966	\$ 2,966	\$ 6,558
1,400	Johnson & Johnson	\$ 69,062	\$ 69,062	\$ 91,812
500	Eli Lilly & Co	\$ 21,718	\$ 21,718	\$ 20,780
2,000	Lowe's Companies, Inc.	\$ 48,272	\$ 48,272	\$ 50,760
600	McDonald's Corporation	\$ 35,042	\$ 35,042	\$ 60,198
500	Northern Trust Corp	\$ 23,538	\$ 23,538	\$ 19,830
1,000	Pepsico Inc	\$ 30,268	\$ 30,268	\$ 66,350
500	Pfizer Inc	\$ 18,988	\$ 18,988	\$ 10,820
600	Proctor & Gamble	\$ 38,864	\$ 38,864	\$ 40,026
2,000	Qualcomm, Inc	\$ 40,807	\$ 40,807	\$ 109,400
1,000	Schlumberger, Ltd	\$ 31,695	\$ 31,695	\$ 68,310
1,500	Stericycle, Inc	\$ 45,544	\$ 45,544	\$ 116,880
1,500	Sysco Corp	\$ 58,849	\$ 58,849	\$ 43,995
1,000	Wintrust Financial Corp	\$ 43,689	\$ 43,689	\$ 28,050
<u>Preferred Stocks</u>				
2,000	Repsol Int'l Cap, 7.45%	\$ 49,929	\$ -	\$ -
6,789	Northern Lights Fd Wintrust Sm Cap Opp Fd CL I	\$ 100,000	\$ 100,000	\$ 93,610
	Totals, to Line 10b	\$ 1,079,439	\$ 1,029,510	\$ 1,295,003
<u>Corporate Bonds</u>				
100,000	GNMA Pass Thru Pool, 8.50%	\$ 5,152	\$ 4,989	\$ 1,044
50,000	First Union Corp, Sub Note, 6.55%	\$ 50,164	\$ 50,164	\$ 52,864
	Totals, to Line 10c	\$ 55,316	\$ 55,153	\$ 53,908

THE BERNER CHARITABLE AND SCHOLARSHIP FOUNDATION
SCHEDULE OF SECURITY SALES AND GAIN OR (LOSS)
FOR THE YEAR ENDING DECEMBER 31, 2011

36-3923844

<u>Quantity</u>		<u>Security</u>	<u>Purchase/</u> <u>Donated</u>	<u>Date</u> <u>Acquired</u>	<u>Date</u> <u>Sold</u>	<u>Sale</u> <u>Proceeds</u>	<u>Cost</u>	<u>Gain or</u> <u>(Loss)</u>
Through Wayne Hummer Account:								
2,000	sh	Reposol International Capital, 7 45%	P	10/31/97	02/08/11	\$ 50,000 00	\$ 49,929 75	\$ 70 25
Total Wayne Hummer Long-Term						<u>\$ 50,000 00</u>	<u>\$ 49,929 75</u>	<u>\$ 70 25</u>

Through Morgan Keegan Co. Account:

1,000	sh	Cellcom Israel Ltd, FWT	P	5/4/2011	12/21/2011	\$ 16,374 00	\$ 32,048.00	\$ (15,674.00)
400	sh	Hospira, Inc	P	1/18/2011	12/22/2011	\$ 11,960 00	\$ 23,050 00	\$ (11,090 00)
1,000	sh	Motorola Mobility Holdings, Inc	P	5/2/2011	8/15/2011	\$ 37,803 00	\$ 25,977 00	\$ 11,826 00
								\$ -
								\$ -
								\$ -
Total Morgan Keegan Short-Term						<u>\$ 66,137 00</u>	<u>\$ 81,075 00</u>	<u>\$ (14,938 00)</u>
2,500	sh	Lowes Companies, Inc	P	09/25/06	12/22/11	\$ 62,879 00	\$ 71,547 00	\$ (8,668 00)
500	sh	Merck & Company, Inc	P	12/24/03	12/22/11	\$ 18,564 00	\$ 22,354 00	\$ (3,790 00)
1,000	sh	Merck & Company, Inc	P	09/30/04	12/22/11	\$ 37,128 00	\$ 33,347 00	\$ 3,781 00
1,000	sh	Merck & Company, Inc	P	01/28/02	12/22/11	\$ 37,128 00	\$ 49,653 00	\$ (12,525 00)
2,000	sh	Pfizer, Inc	P	01/05/07	12/22/11	\$ 42,782.00	\$ 53,159 00	\$ (10,377 00)
2,000	sh	Pfizer, Inc	P	07/25/07	12/22/11	\$ 42,782 00	\$ 50,463 00	\$ (7,681 00)
1,500	sh	Textron inc	P	07/29/09	01/28/11	\$ 40,262 00	\$ 19,512 00	\$ 20,750 00
800	sh	Verizon Communications	P	10/30/09	12/06/11	\$ 30,492 00	\$ 22,535 00	\$ 7,957 00
1,200	sh	Verizon Communications	P	03/30/10	12/06/11	\$ 45,738 00	\$ 35,562 00	\$ 10,176 00
3,168	sh	Western Asset Emerging Markets Debt Fd	P	12/04/03	03/18/11	\$ 58,919 00	\$ 62,157 00	\$ (3,238 00)
2,000	sh	Repsol Int'l Capital Ltd , 7 45%	P	10/31/97	02/08/11	\$ 50,000 00	\$ 49,750 00	\$ 250 00
2,000	sh	Comcast Corp , 7.0%	P	05/03/06	11/25/11	\$ 50,000 00	\$ 50,000 00	\$ -
4,000	sh	Keycorp Capital VIII, 7 0%	P	06/13/06	09/01/11	\$ 100,000 00	\$ 100,000 00	\$ -
2,000	sh	Wells Fargo Capital Trust IV, 7 0%	P	08/29/01	04/25/11	\$ 50,000 00	\$ 50,000 00	\$ -
114,000	sh	First Tennessee Bank, 5 05%	P	10/01/09	06/16/11	\$ 121,054 00	\$ 104,321 00	\$ 16,733 00
								\$ -
Total Morgan Keegan Co. - Long Term						<u>\$ 787,728 00</u>	<u>\$ 774,360 00</u>	<u>\$ 13,368 00</u>

Depreciation and Amortization 990-PF

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION

FORM 990-PF PAGE 1

36-3923844

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	2,212.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	2,212.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**THE BERNER CHARITABLE AND SCHOLARSHIP
FOUNDATION**

Form 4562 (2011)

36-3923844 Page **2**

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L -			
		%			S/L -			
		%			S/L -			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	------------------------------------	------------------------------	------------------------	---	--------------------------------------

42 Amortization of costs that begins during your 2011 tax year:

43 Amortization of costs that began before your 2011 tax year **43**

44 Total. Add amounts in column (f). See the instructions for where to report **44**