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

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

EXTENSION

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning

, and ending

Name of foundation THE HARRY A. AND MARGARET D. TOWSLEY FOUNDATION		A Employer identification number 38-6091798
Number and street (or P O box number if mail is not delivered to street address) 240 WEST MAIN	Room/suite 2300	B Telephone number (989) 837-1100
City or town, state, and ZIP code MIDLAND, MI 48640		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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, col. (c), line 16) \$ 41,032,633.	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		6,300.		N/A	
2 Check ☐ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		3,050.	3,050.		STATEMENT 2
4 Dividends and interest from securities		1,022,781.	1,022,781.		STATEMENT 3
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		3,737,108.			STATEMENT 1
b Gross sales price for all assets on line 6a		4,490,601.			
7 Capital gain net income (from Part IV, line 2)			3,687,905.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross salary and allowances					
b Less: Cost of goods sold					
c Gross profit (or loss)					
11 Other income		25,648.	25,648.		STATEMENT 4
12 Total. Add lines 1 through 11		4,794,887.	4,739,384.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages		10,163.	0.		10,163.
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 5		13,160.	320.		12,840.
c Other professional fees STMT 6		37,707.	23,911.		13,796.
17 Interest					
18 Taxes STMT 7		11,600.	0.		2,406.
19 Depreciation and depletion					
20 Occupancy		14,511.	0.		14,511.
21 Travel, conferences, and meetings		1,830.	0.		1,830.
22 Printing and publications		349.	0.		349.
23 Other expenses STMT 8		8,314.	0.		8,314.
24 Total operating and administrative expenses. Add lines 13 through 23		97,634.	24,231.		64,209.
25 Contributions, gifts, grants paid		2,339,300.			2,339,300.
26 Total expenses and disbursements. Add lines 24 and 25		2,436,934.	24,231.		2,403,509.
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements		2,357,953.			
b Net investment income (if negative, enter -0-)			4,715,153.		
c Adjusted net income (if negative, enter -0-)				N/A	

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SCANNED JUL 11 2012

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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	479,242.	222,840.	222,840.
	2 Savings and temporary cash investments	485,090.	423,758.	423,758.
	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 10	17,620,064.	20,295,751.	40,259,184.
	c Investments - corporate bonds STMT 11	499,212.	499,212.	126,851.
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	19,083,608.	21,441,561.	41,032,633.	
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 ▶ ☐			
	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	31,445,179.	31,445,179.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	<12,361,571.>	<10,003,618.>		
30 Total net assets or fund balances	19,083,608.	21,441,561.		
31 Total liabilities and net assets/fund balances	19,083,608.	21,441,561.		

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)	19,083,608.
2 Enter amount from Part I, line 27a	2,357,953.
3 Other increases not included in line 2 (itemize) ▶	0.
4 Add lines 1, 2, and 3	21,441,561.
5 Decreases not included in line 2 (itemize) ▶	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	21,441,561.

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			
b SEE ATTACHED STATEMENT			
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			
b			
c			
d			
e 4,490,601.		753,493.	3,737,108.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e 393,519.	344,316.	49,203.	3,687,905.

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	3,687,905.
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	2,437,050.	41,654,381.	.058506
2009	2,482,712.	31,628,027.	.078497
2008	3,386,570.	54,367,750.	.062290
2007	3,058,690.	71,498,815.	.042780
2006	2,773,084.	66,190,528.	.041895

2 Total of line 1, column (d)	2	.283968
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	.056794
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	46,621,150.
5 Multiply line 4 by line 3	5	2,647,802.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	47,152.
7 Add lines 5 and 6	7	2,694,954.
8 Enter qualifying distributions from Part XII, line 4	8	2,403,509.

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

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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 ☐ 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 ☐ and enter 1% of Part I, line 27b	1	94,303.
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	94,303.
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	94,303.
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	30,707.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	160,000.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	190,707.
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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	96,404.
11	Enter the amount of line 10 to be: Credited to 2012 estimated tax ☐ 96,404. Refunded ☐ 0.	11	0.

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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c 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 ☐ \$ 0. (2) On foundation managers ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a 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?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ MI		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	X	
14	The books are in care of WENDELL DUNBAR, CPA Telephone no 734-994-7500 Located at 2929 PLYMOUTH ROAD, STE 350, ANN ARBOR, MI ZIP+4 48105			
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?	☐ 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	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?	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? If "Yes," list the years	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	2b	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?	☐ 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	N/A
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)?

☐ 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)?

N/A

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?

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
SEE STATEMENT 12		0.	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

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

Total number of others receiving over \$50,000 for professional services	0
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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

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	46,715,383.
b	Average of monthly cash balances	1b	615,734.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	47,331,117.
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	47,331,117.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	709,967.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	46,621,150.
6	Minimum investment return. Enter 5% of line 5	6	2,331,058.

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	2,331,058.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	94,303.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	94,303.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,236,755.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,236,755.
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	2,236,755.

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	2,403,509.
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	2,403,509.
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	2,403,509.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				2,236,755.
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only			1,109,566.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 2,403,509.				
a Applied to 2010, but not more than line 2a			1,109,566.	
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				1,293,943.
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).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				942,812.
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	0.			
10 Analysis of line 9.				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

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

	Tax year				Prior 3 years	(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008		
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed						
b 85% of line 2a						
c Qualifying distributions from Part XII, line 4 for each year listed						
d Amounts included in line 2c not used directly for active conduct of exempt activities						
e Qualifying distributions made directly for active conduct of exempt activities						
Subtract line 2d from line 2c						
3 Complete 3a, b, or c for the alternative test relied upon:						
a "Assets" alternative test - enter						
(1) Value of all assets						
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)						
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed						
c "Support" alternative test - enter:						
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)						
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)						
(3) Largest amount of support from an exempt organization						
(4) Gross investment income						

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT 13

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

c Any submission deadlines:

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

Part XV

Supplementary Information (continued)

3

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SCHEDULE ATTACHED - GRANTS PAID IN CASH IN 2011 SCHEDULE ATTACHED	N/A	PUBLIC 501(C) (3)	FOR SUPPORT OF THE PROGRAM	2,339,300.
Total			▶ 3a	2,339,300.
b Approved for future payment				
NO GRANTS WERE APPROVED IN 2011 FOR FUTURE PAYMENT				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	3,050.		
4 Dividends and interest from securities			14	1,022,781.		
5 Net rental income or (loss) from real estate.						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income			14	25,648.		
8 Gain or (loss) from sales of assets other than inventory			18	3,737,108.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		4,788,587.		0.
13 Total. Add line 12, columns (b), (d), and (e)						4,788,587.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	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)?

☒ Yes ☐ No

Signature of officer or trustee

Date _____

► **TREASURER**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ self-employed

PTIN

MARY IVERS, CPA

Preparer's signature 

Date
7/3/12

P00177371

Firm's name ► IVERS & RICKELMANN CPA'S PLLC

Firm's EIN ▶ 45-3630198

Firm's address ► 2929 PLYMOUTH ROAD, SUITE 350
ANN ARBOR, MI 48105

Phone no. (734) 994-7500

Form 990-PF (2011)

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No 1545-0047

2011**Name of the organization**THE HARRY A. AND MARGARET D. TOWSLEY
FOUNDATION**Employer identification number**

38-6091798

Organization type (check one):**Filers of:****Section:**

Form 990 or 990-EZ

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

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

THE HARRY A. AND MARGARET D. TOWSLEY
FOUNDATION

Employer identification number

38-6091798

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MARGARET ANN RIECKER 2216 MAPLELEAF MIDLAND, MI 48640	\$ 6,300.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

THE HARRY A. AND MARGARET D. TOWSLEY
FOUNDATION

Employer identification number

38-6091798

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

THE HARRY A. AND MARGARET D. TOWSLEY
FOUNDATION

Employer identification number

38-6091798

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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 SECURITIES LITIGATION PROCEEDS		P		
b 1250 CALL OPTIONS DOW CHEM 3 2011		P	09/29/10	03/19/11
c 125,000 SHS DOW CHEM		P	12/18/61	03/18/11
d 1663 SHS VANGUARD VALUE IDX		P	VARIOUS	11/18/11
e 8120 SHS VANGUARD GROWTH IDX		P	VARIOUS	11/18/11
f 10,047 SHS VANGUARD S-T BOND IDX		P	VARIOUS	11/18/11
g 1853 SHS VANGUARD PACIFIC STK IDX		P	VARIOUS	11/18/11
h 628 SHS VANGUARD MID-CAP GROWTH IDX		P	VARIOUS	11/18/11
i 608 SHS VANGUARD MID-CAP VALUE IDX		P	VARIOUS	11/18/11
j CAPITAL GAINS DIVIDENDS				
k				
l				
m				
n				
o				

(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 443.			443.
b 168,747.			168,747.
c 3,869,926.		344,316.	3,525,610.
d 34,000.		33,220.	780.
e 235,000.		205,602.	29,398.
f 107,000.		107,221.	<221.>
g 39,000.		40,561.	<1,561.>
h 16,000.		10,486.	5,514.
i 16,000.		12,087.	3,913.
j 4,485.			4,485.
k			
l			
m			
n			
o			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col. (k), but not less than "-0-")
a			443.
b			168,747.
c 393,519.	344,316.	49,203.	3,476,407.
d			780.
e			29,398.
f			<221.>
g			<1,561.>
h			5,514.
i			3,913.
j			4,485.
k			
l			
m			
n			
o			

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	3,687,905.
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

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
SECURITIES LITIGATION PROCEEDS			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
443.	0.	0.	0.		443.

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1250 CALL OPTIONS DOW CHEM 3 2011			PURCHASED	09/29/10	03/19/11
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
168,747.	0.	0.	0.		168,747.

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
125,000 SHS DOW CHEM			PURCHASED	12/18/61	03/18/11
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
3,869,926.	344,316.	0.	0.		3,525,610.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1663 SHS VANGUARD VALUE IDX	34,000.	33,220.	0.	0.	780.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
8120 SHS VANGUARD GROWTH IDX	235,000.	205,602.	0.	0.	29,398.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
10,047 SHS VANGUARD S-T BOND IDX	107,000.	107,221.	0.	0.	<221.>

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1853 SHS VANGUARD PACIFIC STK IDX	39,000.	40,561.	0.	0.	<1,561.>

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
628 SHS VANGUARD MID-CAP GROWTH IDX	16,000.	10,486.	0.	0.	5,514.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
608 SHS VANGUARD MID-CAP VALUE IDX	16,000.	12,087.	0.	0.	3,913.

CAPITAL GAINS DIVIDENDS FROM PART IV	4,485.
TOTAL TO FORM 990-PF, PART I, LINE 6A	3,737,108.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
CHEMICAL BANK	3,050.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	3,050.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DOW CHEMICAL	570,162.	0.	570,162.
VANGUARD FDS	457,104.	4,485.	452,619.
TOTAL TO FM 990-PF, PART I, LN 4	1,027,266.	4,485.	1,022,781.

FORM 990-PF	OTHER INCOME		STATEMENT	4
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
UNITRUST INCOME	25,648.	25,648.		
TOTAL TO FORM 990-PF, PART I, LINE 11	25,648.	25,648.		

FORM 990-PF	ACCOUNTING FEES		STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DUNBAR/MARTEL, LLC	12,840.	0.		12,840.
BANK TAX REPORTING FEE	320.	320.		0.
TO FORM 990-PF, PG 1, LN 16B	13,160.	320.		12,840.

FORM 990-PF	OTHER PROFESSIONAL FEES		STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
REHMANN AUDIT FEE	12,000.	0.		12,000.
HRNI ADMINISTRATIVE FEES	1,796.	0.		1,796.
CHEMICAL BANK AGENCY FEES	12,911.	12,911.		0.
COLUMBIA ASSET INVESTMENT MGMT FEES	11,000.	11,000.		0.
TO FORM 990-PF, PG 1, LN 16C	37,707.	23,911.		13,796.

FORM 990-PF	TAXES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAXES	2,406.	0.		2,406.	
FEDERAL EXCISE TAX	9,194.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	11,600.	0.		2,406.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE EXPENSE	6,350.	0.		6,350.	
COMPUTER EXPENSE	1,485.	0.		1,485.	
OFFICE SUPPLIES	130.	0.		130.	
MISCELLANEOUS EXPENSE	349.	0.		349.	
TO FORM 990-PF, PG 1, LN 23	8,314.	0.		8,314.	

FORM 990-PF	CORPORATE STOCK	STATEMENT 10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	20,310,866.	40,264,559.
CALL OPTIONS - OPEN	<15,115.>	<5,375.>
TOTAL TO FORM 990-PF, PART II, LINE 10B	20,295,751.	40,259,184.

FORM 990-PF	CORPORATE BONDS	STATEMENT 11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PRO SHARES BOND FUND	499,212.	126,851.
TOTAL TO FORM 990-PF, PART II, LINE 10C	499,212.	126,851.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
MARGARET ANN RIECKER 2216 MAPLELEAF MIDLAND, MI 48640	CHAIR/TRUSTEE 4.00	0.	0. 0.
JUDITH D. RUMELHART 472 TOWSLEY LANE ANN ARBOR, MI 48105	VPRES/TRUSTEE 1.00	0.	0. 0.
LYNN T. WHITE 1415 GRADY RANDALL COURT MCLEAN, VA 22101	PRES/TRUSTEE 10.00	0.	0. 0.
WENDELL DUNBAR (SEE STMT ATTACHED) 3295 BLUETT ANN ARBOR, MI 48105	TREAS/TRUSTEE 4.00	0.	0. 0.
JENNIFER POTEAT-FLORES 4 GEDDES HEIGHTS ANN ARBOR, MI 48104	TRUSTEE 1.00	0.	0. 0.
MARGARET E. THOMPSON 4100 SILVERGRASS DRIVE, N.E. GRAND RAPIDS, MI 49525	TRUSTEE 1.00	0.	0. 0.
STEVEN RIECKER 2040 BOARDMAN PLAINS TRAVERSE CITY, MI 49686	TRUSTEE 1.00	0.	0. 0.
DAVID WINSTON INGLISH 1555 EL CAMINO DEL TEATRO LA JOLLA, CA 92037	TRUSTEE 1.00	0.	0. 0.
DOUGLAS INGLISH 1525 N DOHENY DR LOS ANGELES, CA 90069	TRUSTEE 1.00	0.	0. 0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0. 0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 13

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

LYNN T. WHITE, PRESIDENT
240 WEST MAIN STREET
MIDLAND, MI 48640

TELEPHONE NUMBER

(989) 837-1100

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED "GRANT APPLICATION PROCEDURE".

ANY SUBMISSION DEADLINES

GRANTS TO BE CONSIDERED DURING THE CALENDAR YEAR SHOULD PREFERABLY BE
RECEIVED PRIOR TO MARCH 31ST.

RESTRICTIONS AND LIMITATIONS ON AWARDS

SEE ATTACHED "GUIDELINES TO PROGRAM AID".

Towsley Foundation
Activity by account

	Checking	Chem Bk	Open call	Schwab	Vanguard	PNC CLT	Total
Beginning Balances at Cost	479,242	3,281,625	(168,747)	-	15,491,488	-	19,083,608
Contribution	6,300						-
Interest and dividends		553,212		20,001	452,618	25,648	6,300
Capital gains and losses		3,526,052	168,747		42,308		1,051,479
Expenses paid	(84,402)	(13,231)					3,737,107
Grants paid	(2,339,300)						-
Transfers between accounts	2,161,000	(4,558,358)		220,362	2,202,644	(25,648)	(97,633)
							(2,339,300)
Ending Balances at Cost	222,840	2,789,300	-	240,363	18,189,058	-	21,441,561
Unrealized Gain/(Loss)	-	15,390,243	-	2,090,178	2,069,175	41,476	19,591,072
Ending Balances at Market Value	222,840	18,179,543	-	2,330,541	20,258,233	41,476	41,032,633

12/31/11 Balance Sheet Detail at Cost

Cash in checking	222,840					222,840
Money Market Funds		361,888	35,116	26,754		423,758
Dow stock		1,678,200	220,362			1,898,562
Mutual Funds		250,000		18,162,304	-	18,412,304
Bond Funds		499,212				499,212
Option liability			(15,115)			(15,115)
Ending Balances at Cost	222,840	2,789,300	240,363	18,189,058	-	21,441,561

GUIDELINES TO PROGRAM AID

In order to utilize its resources wisely, the Foundation generally adheres to the following guidelines:

- 1 The geographic area is limited basically to recipients in the State of Michigan and primarily within Ann Arbor and Washtenaw County.
2. The Foundation does not make direct grants to individuals, provide loan funds, or make grants to students for scholarships.
- 3 The foundation does not make grants for travel and conferences. Traditionally, we do not provide funds for books, publications, films, tapes, audio-visual or other communication media.
4. An Environmental Impact Statement is required for all capital projects.

GRANT APPLICATION PROCEDURE

Charitable organizations other than private foundations may apply for a grant. The Foundation does not provide application forms for submitting requests. Elaborate presentations are not necessary.

Grants are not made to institutions which unfairly discriminate in policy or practice against age, race, color, creed or sex.

Organizations seeking aid from the Foundation should:

- 1 Forward (a) copy of the tax exempt letter from the Internal Revenue Service and (b) copy of the letter establishing that the applicant is not a private foundation.
2. State the amounts requested and explain the need.
- 3 Include in the application the organization's latest financial statements, along with an operating budget and other funding sources.

The Foundation reserves the right to ascertain through certified accountants of the recipient organization whether a potential grant will cause the organization to lose its public foundation status.

The Trustees do not conduct personal interviews with applicants except upon the Foundation's initiative. Additional information is frequently requested by the Foundation after the application is received.

GRANT PAYMENTS

January 1, 2011 - December 31, 2011

2 July 2012

Amount Payee/Reference	Payee Address
\$272,000.00 Albion College Request [1217] -- Check No: 1584	611 East Porter Street Albion, Michigan 49224
\$435,000.00 Carleton College Request [1443] -- Check No: 1601	One North College Street Northfield, Minnesota 55057-4010
\$50,000.00 Child And Family Services of Northwestern Michigan Request [1659] -- Check No: 1602	3785 Veterans Drive Traverse City, Michigan 49684
\$6,300.00 Council of Michigan Foundations Request [1814] -- Check No: 1492	One South Harbor Avenue Suite 3 Grand Haven, MI 49417
\$54,000.00 Friends of The Claude Moore Colonial Farm at Turkey Run, Inc. Request [1628] -- Check No: 1605	6310 Georgetown Pike McLean, VA 22101
\$25,000.00 Grand Traverse Bay YMCA Request [1631] -- Check No: 1606	3000 Racquet Club Drive Traverse City, Michigan 49684
\$25,000.00 Greenhills School Request [1663] -- Check No: 1607	850 Greenhills Drive Ann Arbor, MI 48105
\$50,000.00 Humane Society of Huron Valley Request [1596] -- Check No: 1609	3100 Cherry Hill Road Ann Arbor, Michigan 48105

Amount Payee/Reference	Payee Address
\$100,000.00 Interlochen Center For The Arts Request [1664] -- Check No: 1610	P.O. Box 199 Interlochen, Michigan 49643-0199
\$100,000.00 Madonna University Request [1582] -- Check No: 1619	36600 Schoolcraft Road Livonia, Michigan 48150-1173
\$200,000.00 Michigan State University Request [1584] -- Check No: 1612	300 Spartan Way East Lansing, Michigan 48824-1005
\$6,000.00 Munson HealthCare Regional Foundation Request [1524] -- Check No: 1613	210 Beaumont Place Traverse City, Michigan 49684-2386
\$300,000.00 Saint Joseph Mercy Health System Request [1525] -- Check No: 1614	5301 East Huron River Drive Post Office Box 995 Ann Arbor, Michigan 48106-0995
\$24,000.00 Starr Commonwealth Schools Request [1257] -- Check No: 1615	13725 Starr Commonwealth Road Albion, Michigan 49224-9580
\$60,000.00 The Ann Arbor Teen Center: Neutral Zone Request [1487] -- Check No: 1600	310 E. Washington Street Ann Arbor, Michigan 48104-2010
\$60,000.00 The Corner Health Center Request [1621] -- Check No: 1603	47 N. Huron Ypsilanti, Michigan 48197
\$60,000.00 The Culver Educational Foundation Request [1362] -- Check No: 1604	1300 Academy Road Culver, IN 46511-1291

Amount Payee/Reference

\$115,000.00 The Helen Hayes Awards
Request [1629]
-- Check No: 1608

\$72,000.00 The University of Michigan
Request [1346]
-- Check No: 1617

\$300,000.00 University of Michigan
Request [1516]
-- Check No: 1616

\$25,000.00 West Midland Family Center
Request [1642]
-- Check No: 1618

\$2,339,300.00

Grand Totals (21 items)

Payee Address

2233 Wisconsin Avenue, NW
Suite 300
Washington, DC 20007

School of Music
2300 Earl V. Moore Bldg.
Ann Arbor, MI 48109-2085

Kellogg Eye Center
1000 Wall Street
Ann Arbor, Michigan 48105

4011 West Isabella Road (M-20)
Shepherd, Michigan 48883

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. THE HARRY A. AND MARGARET D. TOWSLEY FOUNDATION	Employer identification number (EIN) or ☒ 38-6091798
	Number, street, and room or suite no. If a P.O. box, see instructions. 240 WEST MAIN, NO. 2300	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MIDLAND, MI 48640	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

WENDELL DUNBAR, CPA

- The books are in the care of ► **2929 PLYMOUTH ROAD, STE 350 - ANN ARBOR, MI 48105**
Telephone No. ► **734-994-7500** FAX No. ► **734-994-0165**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2011** or
► ☐ tax year beginning _____, and ending _____

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 190,707.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 30,707.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 160,000.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.**

Form **8868** (Rev. 1-2012)