Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
Brookwood Foundation

Number and street (or P O box number if mail is not delivered to street address)
Foundation Source 501 Silverside Rd

Room/suite
123

City or town, state, and ZIP code
Wilmington DE 19809-1377

A Employer identification number
39-2012432

B Telephone number (see instructions)
(800) 839-1754

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 3,168,424

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	7,620	7,620		
	4	Dividends and interest from securities	50,153	48,237		
	5 a	Gross rents				
	b	Net rental income or (loss)				
	6 a	Net gain or (loss) from sale of assets not on line 10	48,952			
	b	Gross sales price for all assets on line 6a 790,769				
	7	Capital gain net income (from Part IV, line 2)		28,068		
	8	Net short-term capital gain				
	9	Income modifications				
	10 a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	-11,061	-16,278		
	12	**Total.** Add lines 1 through 11	95,664	67,647		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	9,955			9,955
	c	Other professional fees (attach schedule)	6,946	6,946		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	800			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	17,015	3,307		13,707
	24	**Total operating and administrative expenses.** Add lines 13 through 23	34,716	10,253		23,662
	25	Contributions, gifts, grants paid	156,700			156,700
	26	**Total expenses and disbursements.** Add lines 24 and 25	191,416	10,253		180,362
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-95,752			
	b	**Net investment income** (if negative, enter -0-)		57,394		
	c	**Adjusted net income** (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions.

(HTA)

Form **990-PF** (2011) 2

914

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	482		
	2	Savings and temporary cash investments	11,620	53,326	53,326
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)		177,697	179,924
	b	Investments—corporate stock (attach schedule)		1,708,694	1,788,435
	c	Investments—corporate bonds (attach schedule)		565,350	565,700
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	2,950,421	540,107	581,039
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)	178,403		
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	3,140,926	3,045,174	3,168,424
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 (attach schedule)			
	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			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	3,140,926	3,045,174	
	30	**Total net assets or fund balances** (see instructions)	3,140,926	3,045,174	
	31	**Total liabilities and net assets/fund balances** (see instructions)	3,140,926	3,045,174	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,140,926
2	Enter amount from Part I, line 27a	2	-95,752
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,045,174
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,045,174

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	Publicly-traded Securities			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	769,885		741,817	28,068
b				
c				
d				
e				

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				28,068
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	28,068
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	159,533	3,298,638	0 048363
2009	149,783	3,101,441	0 048295
2008	146,335	3,449,090	0 042427
2007	123,191	2,735,172	0 045040
2006	70,505	2,140,210	0 032943

2	**Total** of line 1, column (d)	2	0 217068
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 043414
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5 .	4	3,339,659
5	Multiply line 4 by line 3	5	144,988
6	Enter 1% of net investment income (1% of Part I, line 27b) .	6	574
7	Add lines 5 and 6	7	145,562
8	Enter qualifying distributions from Part XII, line 4	8	180,362

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ________________ (attach copy of letter if necessary—see 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	574
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	574
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	574
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,295		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	0		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	1,295
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	721
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶		721	**Refunded** ▶ 11	0

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation. ▶ $ ________________ **(2)** On foundation managers ▶ $ ________________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	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? *If "Yes," attach a conformed copy of the changes*	3		X
4 a	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	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	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? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WI			
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*	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)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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 ▶

14 The books are in care of ▶ Foundation Source Telephone no ▶ (800) 839-1754

Located at ▶ 501 Silverside Road, Suite 123 Wilmington DE ZIP+4 ▶ 19809-1377

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
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)?	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ▶ 20_____, 20_____, 20_____, 20_____			
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 ▶ 20_____, 20_____, 20_____, 20_____			
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

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** 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? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945–5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE ATTACHMENT				

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE	00			
	00			
	00			
	00			
	00			
Total number of other employees paid over $50,000 ▶				

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	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	2,737,352
	b	Average of monthly cash balances			1b	72,126
	c	Fair market value of all other assets (see instructions)			1c	581,039
	d	**Total** (add lines 1a, b, and c)			1d	3,390,517
	e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e			
2		Acquisition indebtedness applicable to line 1 assets			2	
3		Subtract line 2 from line 1d			3	3,390,517
4		Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)			4	50,858
5		**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	3,339,659
6		**Minimum investment return.** Enter 5% of line 5			6	166,983

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	166,983
2a		Tax on investment income for 2011 from Part VI, line 5	2a	574		
	b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	316		
	c	Add lines 2a and 2b			2c	890
3		Distributable amount before adjustments Subtract line 2c from line 1			3	166,093
4		Recoveries of amounts treated as qualifying distributions			4	0
5		Add lines 3 and 4			5	166,093
6		Deduction from distributable amount (see instructions)			6	
7		**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	166,093

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	180,362
	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	0
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	0
4		**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	180,362
5		Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	574
6		**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	179,788

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

Part XIII Undistributed Income (see instructions)

			(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7					166,093
2	Undistributed income, if any, as of the end of 2011:					
a	Enter amount for 2010 only				155,822	
b	Total for prior years. 20____, 20____, 20____			0		
3	Excess distributions carryover, if any, to 2011:					
a	From 2006	0				
b	From 2007	0				
c	From 2008	0				
d	From 2009	0				
e	From 2010	0				
f	**Total** of lines 3a through e		0			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 180,362					
a	Applied to 2010, but not more than line 2a				155,822	
b	Applied to undistributed income of prior years (Election required—see instructions)			0		
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2011 distributable amount					24,540
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					
d	Subtract line 6c from line 6b. Taxable amount—see instructions			0		
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions				0	
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					141,553
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		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	0				
b	Excess from 2008	0				
c	Excess from 2009	0				
d	Excess from 2010	0				
e	Excess from 2011	0				

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			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
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	0				0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed . . .	0				0
d Amounts included in line 2c not used directly for active conduct of exempt activities . .					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets . . .					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) .					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . .	0				0
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) . .					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . .					0
(3) Largest amount of support from an exempt organization . .					0
(4) Gross investment income					0

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))

See Attached Statement

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:

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*				
CARTHAGE COLLEGE 2001 ALFORD PARK DR KENOSHA WI 53140	N/A	509(a)(1)	Christen P and Anna J Heide Scholarship Fund	10,000
EPIPHANY LUTHERAN CHURCH 2921 OLIVE ST RACINE WI 53403	N/A	509(a)(1)	Capital Campaign for Mortgage Burning Initiative	27,700
FRIENDS OF HAWTHORN HOLLOW INC 880 GREEN BAY RD KENOSHA WI 53144	N/A	509(a)(2)	Pike River School Restoration Project & General Operating Fund	10,000
PRAIRIE SCHOOL INC 4050 LIGHTHOUSE DR RACINE WI 53402	N/A	509(a)(1)	Developing Excellence Program	20,000
SHORELAND LUTHERAN HIGH SCHOOL FED PO BOX 295 SOMERS WI 53171	N/A	509(a)(1)	Salary for the SEE Center and the Orchestra Director	45,000
UNIVERSITY OF ARIZONA FOUNDATION 1111 N CHERRY AVE TUCSON AZ 85721	N/A	509(a)(1)	Gladys E Sorensen Endowed Professorship Fund	5,000
UNIVERSITY OF NEBRASKA FOUNDATION PO BOX 82555 LINCOLN NE 68501	N/A	509(a)(1)	Christine Heide Sorensen Scholarship Fund	4,000
UNIV OF WISC PARKSIDE BENEVOLENT FDN PO BOX 2000 KENOSHA WI 53141	N/A	509(a)(1)	General and Unrestricted	25,000
WISCONSIN LUTHERAN SEMINARY 11831 N SEMINARY DR MEQUON WI 53092	N/A	509(a)(1)	Pastor Eugene Hinderer Memorial Scholarship Fund	10,000
Total . . . . . . ▶ 3a				156,700
b *Approved for future payment*				
Total . . . . . . ▶ 3b				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions)
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	7,620	
4 Dividends and interest from securities			14	46,567	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	48,952	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a K-1 Pass-Through Income	525990	5,217	14	-16,278	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		5,217		86,861	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 92,078

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

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

▶ Paula J. Heide-Walker 14 Nov. 2012 ▶ Trustee, Paula Heide-Walker

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Jeffrey D Haskell	Jeffrey D. Haskell	11/12/2012		P01345770
Firm's name ▶ Foundation Source			Firm's EIN ▶ 51-0398347	
Firm's address ▶ 55 Walls Drive, Fairfield, CT 06824			Phone no (800) 839-1754	

Form 990-PF, Part I, Line 11 - Other Income

	TOTAL:	-11,061	-16,278	0
	Description	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
1	HONEY ROCK, LP K-1 Pass-Through Share of Partnership Income/(Loss)	-705	-705	0
2	PAVILIONS SHOPPING CENTER LIMITED PARTNERSHIP K-1 Pass-Through Share of Partnership Income/(Loss)	-206	-206	0
3	PREMIER HOTEL GROUP, LTD K-1 Pass-Through Share of Partnership Income/(Loss)	6,064	847	0
4	THUNDER RANCH ESTATES UNIT II LLC K-1 Pass-Through Share of Partnership Income/(Loss)	-16,214	-16,214	0
5				
6				
7				
8				
9				
10				

Form 990-PF, Part I, Line 16b - Accounting Fees

	TOTAL:	9,955	0	0	9,955
	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
1	Preparation of annual return and tax consultations	9,955	0	0	9,955
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 16c - Other Professional Fees

		(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
	TOTAL:	6,946	6,946	0	0
	Description				
1	Investment Management Services	6,946	6,946	0	0
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 18 - Taxes

	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
	TOTAL:	800	0	0	0
1	Estimated Tax for 2011	800	0	0	0
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 23 - Other Expenses

	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
	TOTAL:	17,015	3,307	0	13,707
1	Administrative Fees	13,707	0	0	13,707
2	HONEY ROCK, LP K-1 pass-through expenses	1,625	1,624	0	0
3	PREMIER HOTEL GROUP, LTD K-1 pass-through expenses	1,683	1,683	0	0
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part II, Line 10a - Investments - U.S. and State Government Obligations

		TOTAL: 177,697	179,924
	Description	Book Value End of Year	FMV End of Year
1	FHLB - 1 000% - 01/8/2011 (3133XYVN2)	100,197	100,417
2	KANE COOK & DU PAGE CNTYS ILL 05 60% 01/01/2020 (483836QS4)	27,500	27,512
3	MAINE MUNI BOND - 2 975% - 11/01/2017 (5604597B9)	50,000	51,995
4			
5			
6			
7			
8			
9			
10			

Form 990-PF, Part II, Line 10b - Investments - Corporate Stock

TOTAL: 1,708,694 1,788,435

	Description	Shares	Book Value End of Year	FMV End of Year
1	AMERICAN CENTURY HIGH-YIELD MUNI INSTL (AYMIX)	1,035	8,642	9,209
2	BAIRD SHORT TERM BOND FUND INSTITUTIONAL CLASS (BSBIX)	939	9,144	9,005
3	CONSTELLATION SANDS CAP SEL GR (CFSIX)	11,918	100,000	123,591
4	DFA EMERGING MARKETS VALUE PORTFOLIO (DFEVX)	1,652	54,294	42,884
5	DFA INTERNATIONAL SMALL CO PORTFOLIO (DFISX)	7,256	106,608	100,426
6	DFA INTERNATIONAL VALUE PORTFOLIO (DFIVX)	5,456	89,951	80,416
7	DRIEHAUS ACTIVE INCOME FUND MUTUAL FUND (LCMAX)	1,359	15,165	13,601
8	EATON VANCE TAX MANAGED EMERGING MARKETS FD INST (EITEX)	1,130	51,681	46,608
9	FMI LARGE CAP FUND (FMIHX)	10,232	144,550	156,034
10	FRONTEGRA NETOLS SMALL CAP VALUE INST (FNSVX)	7,771	81,361	95,189
11	GABELLI ABC FUND ADVISOR FUND (GADVX)	2,210	22,184	21,411
12	HARBOR FDS INTL FD (HAINX)	1,571	84,158	82,404
13	IPATH DJ AIGCITR ETN (DJP)	285	11,780	12,038
14	IVY ASSET STRATEGY FUND CLASS I (IVAEX)	1,370	30,515	30,765
15	LAUDUS MONDRIAN INTERNATIONAL FIXED INCM FD INSTI (LIFNX)	1,437	16,700	16,643
16	LOOMIS SAYLES BOND FUND INSTITUTIONAL SHARES (LSBDX)	908	12,652	12,652
17	MUNDER MIDCAP CORE GROWTH FUND CLASS Y (MGOYX)	3,531	85,030	99,679
18	NEUBERGER BERMAN HIGH INC BOND INSTL CL (NHILX)	1,551	13,698	13,822
19	NEUBERGER BERMAN LARGE CAP DISCIPLINED GROWTH FUND (NLDLX)	16,738	110,688	115,829
20	OPPENHEIMER INTERNATIONAL BOND FD CLASS Y (OIBYX)	2,554	16,700	15,832
21	PIMCO COMMODITY REAL RETURN STRATEGY FUND (PCRIX)	2,068	16,405	13,522
22	PIMCO DEVELOPING LOCAL MRKTS FD INSTI CL (PLMIX)	1,300	13,303	12,887
23	PIMCO UNCONSTRAINED BOND FUND, INST CL (PFIUX)	1,245	13,995	13,559
24	RS VALUE FUND (Y) (RSVYX)	3,851	85,000	89,314
25	STRATTON SMALL CAP VALUE (STSCX)	2,083	85,000	103,729
26	T ROWE PRICE FD (PRPIX)	929	9,154	8,968
27	T ROWE PRICE INSTITUTIONAL LARGE CAP GROWTH FUND (TRLGX)	6,970	97,517	112,358
28	TEMPLETON GLOBAL BD (TGBAX)	1,234	16,600	15,267
29	THIRD AVENUE REAL ESTATE VALUE FUND (TAREX)	633	13,561	12,844
30	VANGUARD INFL-PROTECTED SECS (VIPSX)	633	8,292	8,925
31	VANGUARD VALUE ETF (VTV)	3,450	168,454	181,090
32	WHG SMIDCAP FUND INSTITUTIONAL (WHGMX)	9,135	115,912	117,934

Form 990-PF, Part II, Line 10c - Investments - Corporate Bonds

		TOTAL:	565,350	565,700
	Description	Shares	Book Value End of Year	FMV End of Year
1	ANTIGO - 5 750% - 12/01/2013 (037033GC5)	100,000	106,989	102,933
2	BEAR STEARNS- 5 300% - 10/30/21015 (073902KF4)	50,000	55,130	53,770
3	DURHAM NC - 2 720% - 0/01/2017 (266778EK1)	50,000	50,000	51,759
4	GE CAP CORP - 5 000% - 02/13/2019 (36962GF74)	50,000	51,019	50,043
5	M&I MARSHALL & ILSLEY BK MTNBE-0 52200%-12/04/2012 (55259PAF3)	50,000	49,728	49,670
6	MORGAN STANLEY D W DISC 5 0% 09/16/2015 (61745EJ36)	25,000	24,844	24,251
7	PRUDENTIAL FINL INC NOTE - 5 500% - 07/15/2016 (74432ACA6)	25,000	25,356	25,145
8	RENEWABLE WTR RES - 4 320% - 01/01/2017 (75972EAX3)	50,000	50,000	53,379
9	SEARIVER MARITIME FINL HLDG GTD DEFD INT 9/1/12 (812293AB4)	120,000	115,681	119,159
10	WACHOVIA CORP SR NT - 0 65906% - 10/15/2016 (929903CJ9)	40,000	36,603	35,591

Form 990-PF, Part II, Line 13 - Investments - Other

	Asset Description	Book Value End of Year	FMV End of Year
	TOTAL:	540,107	581,039
1	CRAYCROFT AND BROADWAY LOAN LLC	200,363	248,034
2	CSV - NEW YORK LIFE POLICY # 62835345	205,250	202,892
3	HONEY ROCK, LP	91,964	91,964
4	PAVILIONS SHOPPING CENTER LIMITED PARTNERSHIP	25,205	25,205
5	PREMIER HOTEL GROUP, LTD	4,381	0
6	THUNDER RANCH ESTATES UNIT II LLC	12,944	12,944
7			
8			
9			
10			

Form 990-PF, Part VIII, Line 1 - Compensation of Officers, Directors, Trustees and Foundation Managers

TOTAL: 0 0 0

	Name	Street	City	State	Zip Code	Title	Avg Hrs	Comp	Benefits	Expense Acct
1	Kathryn H Heide	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	1	0	0	0
2	Charles H Heide Jr	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	1	0	0	0
3	Charles H Heide Sr	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	1	0	0	0
4	Paula Heide-Waller	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	10	0	0	0
5	Krista J Reck	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	1	0	0	0
6	Kathryn H Thompson	Foundation Source 501 Silverside Rd	Wilmington	DE	19809	Trustee	1	0	0	0
7										
8										
9										
10										

Form 990-PF, Part XV, Line 1a - Information Regarding Foundation Managers

1 Charles H Heide
2 Charles H Heide, Jr
3 Kathryn H Heide
4 Paula Heide-Waller
5 Krista J. Reck
6
7
8
9
10