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

2011

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

For calendar year **2011** or tax year beginning **2011**, and ending **20**

Name of foundation: **DREAMS FOUNDATION 23-52480**

Number and street (or P O box number if mail is not delivered to street address): **94 DERFUS LANE**

Room/suite: _____

City or town, state, and ZIP code: **BLAUVELT, NY 10913**

A Employer identification number
77-0602396

B Telephone number (see instructions)
(845) 359-5866

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

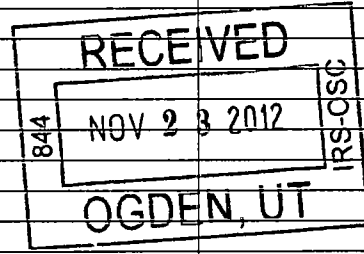
G Check all that apply:
 Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name change

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) **\$ 595,256.**

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	16,794.	16,794.		STMT 1
5a	Gross rents				
	b Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	22,387.			
	b Gross sales price for all assets on line 6a	186,873.			
7	Capital gain net income (from Part IV, line 2)		22,387.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	273.			STMT 2
12	Total Add lines 1 through 11	39,454.	39,181.		
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages		NONE	NONE	
15	Pension plans, employee benefits		NONE	NONE	
16a	Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 3	1,000.	500.	NONE	500.
	c Other professional fees (attach schedule) STMT 4	3,031.	3,031.		
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 5	1,422.	330.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings		NONE	NONE	
22	Printing and publications		NONE	NONE	
23	Other expenses (attach schedule) STMT 6	15.			15.
24	Total operating and administrative expenses. Add lines 13 through 23	5,468.	3,861.	NONE	515.
25	Contributions, gifts, grants paid	28,912.			28,912.
26	Total expenses and disbursements Add lines 24 and 25	34,380.	3,861.	NONE	29,427.
27	Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	5,074.			
	b Net investment income (if negative, enter -0-)		35,320.		
	c Adjusted net income (if negative, enter -0-)				



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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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	24,275.	25,530.	25,530.
	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 ▶			NONE
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) . STMT 7	284,813.	299,955.	355,283.
	c	Investments - corporate bonds (attach schedule) . STMT 8	160,442.	163,161.	164,507.
	11	Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule) STMT 9	51,998.	37,956.	49,936.
	14	Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	521,528.	526,602.	595,256.	
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)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	521,528.	526,602.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see instructions)	521,528.	526,602.		
31	Total liabilities and net assets/fund balances (see instructions)	521,528.	526,602.		

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)	1 521,528.
2	Enter amount from Part I, line 27a	2 5,074.
3	Other increases not included in line 2 (itemize) ▶	3
4	Add lines 1, 2, and 3	4 526,602.
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	6 526,602.

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 177,479.		164,486.	12,993.			
b						
c						
d						
e						
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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))			
a			12,993.			
b						
c						
d						
e						
2 Capital gain net income or (net capital loss)				2	22,387.	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }						
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	27,077.	600,756.	0.045072
2009	31,989.	544,158.	0.058786
2008	36,023.	648,469.	0.055551
2007	33,773.	725,423.	0.046556
2006	31,868.	699,054.	0.045587
2 Total of line 1, column (d)			0.251552
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			0.050310
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			632,403.
5 Multiply line 4 by line 3			31,816.
6 Enter 1% of net investment income (1% of Part I, line 27b)			353.
7 Add lines 5 and 6			32,169.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.			29,427.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)	1	706.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		
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	
3 Add lines 1 and 2	3	706.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	706.
6 Credits/Payments		
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	612.
b Exempt foreign organizations - tax withheld at source	6b	NONE
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	612.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	94.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>		X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
Website address N/A
14 The books are in care of THE NORTHERN TRUST COMPANY Telephone no (312) 630-6000
Located at PO BOX 803878, CHICAGO, IL ZIP + 4 60680
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 15
16 At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 16 Yes No 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

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 X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes X 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 X 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 X 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
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 X No
If "Yes," list the years
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 X
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 X No
b If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011) 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011? 4b X

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** Yes No
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** Yes No
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** Yes No

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 STATEMENT 10		-0-	-0-	-0-

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

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

Total number of other employees paid over \$50,000 NONE

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1 NONE	
2	
3	
4	

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

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

Amount

1 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3	

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	642,033.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	642,033.
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	NONE
3	Subtract line 2 from line 1d	3	642,033.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	9,630.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	632,403.
6	Minimum investment return. Enter 5% of line 5	6	31,620.

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	31,620.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	706.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	706.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	30,914.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	30,914.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	30,914.

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	29,427.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	29,427.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	29,427.

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				30,914.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			28,912.	
b Total for prior years 20 <u>09</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2011.				
a From 2006	NONE			
b From 2007	NONE			
c From 2008	NONE			
d From 2009	NONE			
e From 2010	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ <u>29,427.</u>				
a Applied to 2010, but not more than line 2a			28,912.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2011 distributable amount				515.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				30,399.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2007	NONE			
b Excess from 2008	NONE			
c Excess from 2009	NONE			
d Excess from 2010	NONE			
e Excess from 2011	NONE			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

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

N/A

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.

N/A

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
<p>a <i>Paid during the year</i></p> <p>SEE STATEMENT 11</p>				
Total ▶ 3a				28,912.
<p>b <i>Approved for future payment</i></p>				
Total ▶ 3b				

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS & INTEREST	16,794.	16,794.
TOTAL	16,794.	16,794.

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
DEFERRED INCOME	273.
TOTALS	----- 273. =====

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE	1,000.	500.		500.
TOTALS	1,000.	500.	NONE	500.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT ADVISORY	3,031.	3,031.
TOTALS	3,031.	3,031.

FORM 990PF, PART I - TAXES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
TAXES-PRIOR YEARS LIABILITY	480.	
ESTIMATED TAXES	612.	
FOREIGN TAXES	330.	330.
TOTALS	1,422.	330.

FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	CHARITABLE PURPOSES -----
IL ATTORNEY GENERAL	15.	15.
TOTALS	----- 15. =====	----- 15. =====

DREAMS FOUNDATION 23-52480

77-0602396

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	299,955.	355,283.
TOTALS	299,955.	355,283.

DREAMS FOUNDATION 23-52480

77-0602396

FORM 990PF, PART II - CORPORATE BONDS
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
SEE ATTACHED SCHEDULE	163,161.	164,507.
TOTALS	163,161.	164,507.
	=====	=====

FORM 990PF, PART II - OTHER INVESTMENTS

=====

DESCRIPTION	COST/ FMV	C OR F	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE		C	37,956.	49,936.
TOTALS			37,956.	49,936.

TOTALS

=====

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
=====

OFFICER NAME:
SHELLY JAMESON
ADDRESS:
94 DERFUS LANE
BLAUVELT, NY 10913
TITLE:
PRES/SEC/DIR
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 4

OFFICER NAME:
JOEL JAMESON
ADDRESS:
94 DERFUS LANE
BLAUVELT, NY 10913
TITLE:
VP/TREAS/DIR
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 4

OFFICER NAME:
MARY ANN CORNETTI
ADDRESS:
142 LABELLE STREET
PITTSBURG, PA 15211
TITLE:
DIRECTOR
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 2

OFFICER NAME:
YONDA CASTEN
ADDRESS:
1955 OAK GROVE AVE.
STERLING, IL 61081
TITLE:
DIRECTOR
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 2

=====

RECIPIENT NAME:

ILLINOIS WESLEYAN
UNIVERSITY

ADDRESS:

1312 NORTH PARK STREET
BLOOMINGTON, IL 61701

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

JOYCE MEYER MINISTRIES

ADDRESS:

FENTON
, MO 63026

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,500.

RECIPIENT NAME:

NYACK COLLEGE

ADDRESS:

NYACK
, NY 10960

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 22,412.

TOTAL GRANTS PAID: 28,912.

=====

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2011

Name of estate or trust

DREAMS FOUNDATION 23-52480

Employer identification number

77-0602396

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					
b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b					1b -2,714.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					2
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					3
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2010 Capital Loss Carryover Worksheet					4 ()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back					5 -2,714.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a LONG-TERM CAPITAL GAIN DIVIDENDS					9,394.
b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b					6b 15,707.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					7
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					8
9 Capital gain distributions					9
10 Gain from Form 4797, Part I					10
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2010 Capital Loss Carryover Worksheet					11 ()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back					12 25,101.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2011

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13	Net short-term gain or (loss)	13		-2,714.
14	Net long-term gain or (loss):			
a	Total for year	14a		25,101.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b		
c	28% rate gain	14c		5,936.
15	Total net gain or (loss). Combine lines 13 and 14a	15		22,387.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000	16	()
-----------	---	-----------	-----

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0-	21		
22	Subtract line 21 from line 20. If zero or less, enter -0-	22		
23	Subtract line 22 from line 17. If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,300	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28		
29	Subtract line 28 from line 27	29		
30	Multiply line 29 by 15% (15)	30		
31	Figure the tax on the amount on line 23. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31		
32	Add lines 30 and 31	32		
33	Figure the tax on the amount on line 17. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33		
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34		

**SCHEDULE D-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

**Continuation Sheet for Schedule D
(Form 1041)**

▶ See instructions for Schedule D (Form 1041)
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2011

Name of estate or trust DREAMS FOUNDATION 23-52480	Employer identification number 77-0602396
--	---

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a 20. BERKSHIRE HATHAWAY INC	07/20/2010	07/06/2011	1,528.00	1,542.00	-14.00
10. CISCO SYS INC	11/18/2010	04/11/2011	175.00	196.00	-21.00
10. CISCO SYS INC	02/17/2011	04/11/2011	175.00	187.00	-12.00
15. COLGATE PALMOLIVE CO	02/04/2010	02/02/2011	1,130.00	1,202.00	-72.00
5. MFC FLEXSHARES TR MORNI GLOBAL UPSTREAM NAT RES IND	09/29/2011	10/03/2011	148.00	157.00	-9.00
10. MFC FLEXSHARES TR TR I TARGET DURATION TIPS INDEX	09/29/2011	10/03/2011	251.00	249.00	2.00
10. MFC FLEXSHARES TR IBOX TARGET DURATION TIPS INDEX	09/29/2011	10/03/2011	251.00	249.00	2.00
25. MFC ISHARES TR BARCLAY PROTECTED SECS FD	11/18/2010	09/29/2011	2,868.00	2,719.00	149.00
40. JUNIPER NETWORKS INC	05/23/2011	09/22/2011	759.00	1,686.00	-927.00
34. JUNIPER NETWORKS INC	12/16/2010	09/22/2011	646.00	1,224.00	-578.00
11. JUNIPER NETWORKS INC	12/16/2010	09/23/2011	210.00	396.00	-186.00
10. JUNIPER NETWORKS INC	09/01/2011	09/23/2011	191.00	214.00	-23.00
5. MICROSOFT CORP COM	11/18/2010	05/23/2011	121.00	130.00	-9.00
45. MFB NORTHN FDS SMALL C	02/17/2011	10/03/2011	527.00	673.00	-146.00
77.44 MFB NORTHN SHORT INT GOVT	11/18/2010	09/29/2011	818.00	824.00	-6.00
45. MFB NORTHN SHORT INTER GOVT	11/18/2010	10/03/2011	477.00	479.00	-2.00
813.37 MFB NORTHN SHORT IN US GOVT	11/17/2011	11/17/2011	8,605.00	8,623.00	-18.00
10. ORACLE CORPORATION	11/18/2010	10/03/2011	285.00	284.00	1.00
55. PAYCHEX INC	03/10/2011	08/29/2011	1,447.00	1,846.00	-399.00
5. QUALCOMM INC	07/15/2011	10/03/2011	243.00	274.00	-31.00
25. STARWOOD HOTELS & RESO	12/20/2010	08/10/2011	1,078.00	1,498.00	-420.00
10. SUNCOR ENERGY INC NEW	09/01/2011	09/29/2011	263.00	321.00	-58.00
2. V F CORP	09/01/2011	11/04/2011	277.00	232.00	45.00
1. V F CORP	09/01/2011	11/17/2011	134.00	116.00	18.00

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b **-2,714.00**

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2011

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side
DREAMS FOUNDATION 23-52480

Employer identification number
77-0602396

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 20. ALTERA CORP COM	03/20/2009	03/08/2011	868.00	350.00	518.00
1. AMAZON.COM INCORPORATED STOCK	05/11/2010	11/04/2011	216.00	131.00	85.00
5. AMERICAN EXPRESS CO	04/26/2010	10/03/2011	223.00	237.00	-14.00
1. APPLE COMPUTER INC	03/17/2006	11/04/2011	402.00	65.00	337.00
6000. BELLSOUTH CORP 6% DU	10/26/2001	10/17/2011	6,000.00	6,018.00	-18.00
3. CHEVRONTEXACO CORP	11/14/2008	11/04/2011	317.00	225.00	92.00
100. CISCO SYS INC	03/24/2003	04/11/2011	1,747.00	1,365.00	382.00
24. CUMMINS ENGINE INC	09/02/2009	10/21/2011	2,237.00	1,080.00	1,157.00
10. DANAHER CORP	10/20/2008	10/03/2011	412.00	283.00	129.00
40. WALT DISNEY CO	03/30/2010	07/15/2011	1,572.00	1,380.00	192.00
5. DOMINION RES INC VA NEW	09/14/2010	10/03/2011	252.00	220.00	32.00
5. E I DU PONT DE NEMOURS	04/26/2010	10/03/2011	197.00	203.00	-6.00
10. E M C CORP MASS COM	05/03/2010	10/03/2011	207.00	194.00	13.00
65. EMERSON ELECTRIC CO	01/22/2007	08/10/2011	2,788.00	2,872.00	-84.00
5. EXXON MOBIL CORP	03/17/2006	10/03/2011	361.00	307.00	54.00
9. FEDEX CORP	12/08/2009	03/25/2011	815.00	810.00	5.00
21. FEDEX CORP	01/12/2010	03/28/2011	1,929.00	1,839.00	90.00
2. FRANKLIN RESOURCES INC	01/12/2010	11/04/2011	211.00	221.00	-10.00
15. GENERAL ELECTRIC CO	05/05/2010	10/03/2011	223.00	274.00	-51.00
85. GENERAL ELECTRIC CO	05/05/2010	11/08/2011	1,390.00	1,515.00	-125.00
1. W W GRAINGER INC	09/13/2010	11/04/2011	178.00	115.00	63.00
2. INTL BUSINESS MACHINES	06/13/2008	11/04/2011	373.00	252.00	121.00
11. MFC ISHARES TR BARCLAY PROTECTED SECS FD	04/13/2010	08/31/2011	1,261.00	1,148.00	113.00
79. MFC ISHARES TR BARCLAY PROTECTED SECS FD	04/13/2010	09/29/2011	9,063.00	8,199.00	864.00
10. J P MORGAN CHASE & CO	04/02/2009	10/03/2011	298.00	374.00	-76.00

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side DREAMS FOUNDATION 23-52480	Employer identification number 77-0602396
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Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 5. JOHNSON CONTROLS INC	09/10/2009	10/03/2011	130.00	133.00	-3.00
55. LOWES COMPANIES INC	04/26/2010	06/24/2011	1,276.00	1,564.00	-288.00
40. MEDCO HEALTH SOLUTIONS	10/10/2006	06/24/2011	2,147.00	1,130.00	1,017.00
95. MICROSOFT CORP COM	12/13/2007	05/23/2011	2,291.00	2,564.00	-273.00
10. NIKE INC CLASS B	01/12/2010	04/26/2011	800.00	647.00	153.00
9. NIKE INC CLASS B	01/12/2010	04/27/2011	722.00	579.00	143.00
330. MFB NORTHERN FUNDS MU HIGH YIELD OPPORTUNITY FUND	02/01/2010	10/03/2011	3,224.00	3,389.00	-165.00
60. MFB NORTHN FDS MULTI-M GLOBAL REALESTATE FD	12/21/2009	02/17/2011	1,093.00	791.00	302.00
55. MFB NORTHN FDS MULTI-M GLOBAL REALESTATE FD	11/19/2008	10/03/2011	808.00	550.00	258.00
645. MFB NORTHN FDS MULTI-EMERGING MKTS EQTY FD	12/21/2009	02/17/2011	14,319.00	12,598.00	1,721.00
140. MFB NORTHN FDS MULTI-EMERGING MKTS EQTY FD	07/19/2010	10/03/2011	2,428.00	2,818.00	-390.00
610. MFB NORTHN MULTI-MANA EQTY FD FD	10/05/2009	10/03/2011	4,807.00	5,264.00	-457.00
2015. MFB NORTHN MULTI-MAN EQTY FD FD	10/05/2009	11/04/2011	17,893.00	16,693.00	1,200.00
5. MFB NORTHN MULTI-MANAGE FD FD	01/29/2009	11/17/2011	42.00	32.00	10.00
65. MFB NORTHN MULTIMGR SM	01/29/2009	10/03/2011	534.00	381.00	153.00
110. MFB NORTHN MULTIMGR M	01/29/2009	10/03/2011	1,059.00	708.00	351.00
30. MFB NORTHN SHORT INTER GOVT	12/21/2009	02/17/2011	308.00	311.00	-3.00
1785. MFB NORTHN SHORT INT GOVT	07/19/2010	08/31/2011	18,850.00	18,501.00	349.00
707.56 MFB NORTHN SHORT IN US GOVT	05/20/2008	09/29/2011	7,472.00	7,245.00	227.00
330. MFB NORTHERN FDS FIXE	04/13/2010	08/31/2011	3,442.00	3,389.00	53.00
335. MFB NORTHERN FDS FIXE	04/13/2010	10/03/2011	3,514.00	3,319.00	195.00
25. PEPSICO INC	03/17/2006	03/08/2011	1,590.00	1,504.00	86.00
16. PEPSICO INC	10/01/2009	08/29/2011	1,022.00	955.00	67.00
14. PEPSICO INC	10/01/2009	08/30/2011	898.00	825.00	73.00
50. PIMCO COMMODITY REALRE STRATEGY FUND	04/13/2009	08/31/2011	462.00	326.00	136.00

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b

portfolio statements

31 DEC 11

Page 1 of 12

◆ Asset Detail - Base Currency

Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Equity Securities								
Common stock								
Australia - USD								
ADR BHP BILLITON LTD SPONSORED ADR CUSIP 088606108								
30 000		70 63	0 00	2,118 90	1,749 31	369 59	0 00	369 59
Total USD			0 00	2,118 90	1,749 31	369 59	0 00	369 59
Total Australia			0 00	2,118 90	1,749 31	369 59	0 00	369 59
Switzerland - USD								
ADR NOVARTIS AG CUSIP 66987V109								
50 000		57 17	0 00	2,858 50	2,755 75	102 75	0 00	102 75
Total USD			0 00	2,858 50	2,755 75	102 75	0 00	102 75
Total Switzerland			0 00	2,858 50	2,755 75	102 75	0 00	102 75
United States - USD								
ABBOTT LAB COM CUSIP 002824100								
40 000		56 23	0 00	2,249 20	1,920 96	328 24	0 00	328 24
Total USD			0 00	2,249 20	1,920 96	328 24	0 00	328 24
Total United States			0 00	2,249 20	1,920 96	328 24	0 00	328 24
Other								
ALTERA CORP COM CUSIP 021441100								
45 000		37 10	0 00	1,669 50	909 06	760 44	0 00	760 44
Total USD			0 00	1,669 50	909 06	760 44	0 00	760 44
AMAZON COM INC COM CUSIP 023135106								
18 000		173 10	0 00	3,115 80	2,858 89	256 91	0 00	256 91
Total USD			0 00	3,115 80	2,858 89	256 91	0 00	256 91
AMERICAN EXPRESS CO CUSIP 025816109								
75 000		47 17	0 00	3,537 75	3,627 21	-89 46	0 00	-89 46
Total USD			0 00	3,537 75	3,627 21	-89 46	0 00	-89 46

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Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Transition	Total
Equity Securities								
Common stock								
United States - USD								
APPLE INC COM STK	CUSIP 037833100	405 00	0 00	7,695 00	2,669 31	5,025 69	0 00	5,025 69
AUTODESK INC COM CUSIP 052769106								
45 000		30 33	0 00	1,364 85	1,880 10	-515 25	0 00	-515 25
BRISTOL MYERS SQUIBB CO COM CUSIP 110122108								
110 000		35 24	0 00	3,876 40	3,269 37	607 03	0 00	607 03
CHEVRON CORP COM CUSIP 166764100								
47 000		106 40	0 00	5,000 80	3,683 30	1,317 50	0 00	1,317 50
CITRIX SYS INC COM CUSIP 177376100								
45 000		60 72	0 00	2,732 40	2,531 44	200 96	0 00	200 96
COCA COLA CO COM CUSIP 191216100								
60 000		69 97	0 00	4,198 20	4,159 68	38 52	0 00	38 52
CONOCOPHILLIPS COM CUSIP 20825C104								
30 000		72 87	0 00	2,186 10	1,959 60	226 50	0 00	226 50
COSTCO WHOLESALE CORP NEW COM CUSIP 22160K105								
45 000		83 32	0 00	3,749 40	3,067 25	682 15	0 00	682 15
COVIDIEN PLC USD0 20(POST CONSLOTN) CUSIP G2554F113								
45 000		45 01	0 00	2,025 45	2,315 24	-289 79	0 00	-289 79

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Equity Securities								
Common stock								
United States - USD								
DANAHER CORP COM	CUSIP 235851102							
100 000		47 04	2 50	4 704 00	2 337 10	2 366 90	0 00	2 366 90
DOMINION RES INC VA NEW COM CUSIP 25746U109								
65 000		53 08	0 00	3 450 20	2 906 79	543 41	0 00	543 41
DU PONT E I DE NEMOURS & CO COM STK CUSIP 263534109								
80 000		45 78	0 00	3 662 40	3 185 71	476 69	0 00	476 69
EATON CORP COM CUSIP 278058102								
60 000		43 53	0 00	2 611 80	3 208 07	-596 27	0 00	-596 27
EMC CORP COM CUSIP 268648102								
155 000		21 54	0 00	3 338 70	3 149 81	188 89	0 00	188 89
EXXON MOBIL CORP COM CUSIP 30231G102								
75 000		84 76	0 00	6 357 00	3 522 03	2 834 97	0 00	2 834 97
FRKLN RES INC COM CUSIP 354613101								
29 000		96 06	0 00	2 785 74	3 427 56	-641 82	0 00	-641 82
GENERAL ELECTRIC CO CUSIP 369604103								
165 000		17 91	28 05	2 955 15	2 168 04	787 11	0 00	787 11
GOOGLE INC CL A CL A CUSIP 38259P508								
7 000		645 90	0 00	4 521 30	3 013 04	1 508 26	0 00	1 508 26

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Equity Securities								
Common stock								
United States - USD								
GRAINGER W W INC COM CUSIP 384802104								
	14 000	187 19	0 00	2,620 66	1,710 54	910 12	0 00	910 12
H J HEINZ CUSIP 423074103								
	55 000	54 04	26 40	2,972 20	2,610 58	361 62	0 00	361 62
INTERNATIONAL BUSINESS MACHS CORP COM CUSIP 459200101								
	32 000	183 88	0 00	5,884 16	4,179 20	1,704 96	0 00	1,704 96
JOHNSON & JOHNSON COM USD1 CUSIP 478160104								
	25 000	65 58	0 00	1,639 50	1,535 08	104 42	0 00	104 42
JOHNSON CTL INC COM CUSIP 478366107								
	70 000	31 26	12 60	2,188 20	1,959 98	228 22	0 00	228 22
JPMORGAN CHASE & CO COM CUSIP 46625H100								
	105 000	33 25	0 00	3,491 25	3,376 22	115 03	0 00	115 03
MC DONALDS CORP COM CUSIP 580135101								
	30 000	100 33	0 00	3,009 90	2,553 66	456 24	0 00	456 24
MCKESSON CORP CUSIP 58155Q103								
	50 000	77 91	10 00	3,895 50	3,148 39	747 11	0 00	747 11
NATIONAL OILWELL VARCO COM STK CUSIP 637071101								
	50 000	67 99	0 00	3,399 50	2,026 75	1,372 75	0 00	1,372 75

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Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Equity Securities								
Common stock								
United States - USD								
NIKE INC CL B CUSIP 654106103								
	21 000	96 37	7 56	2,023 77	1,340 22	683 55	0 00	683 55
NOBLE ENERGY INC COM CUSIP 655044105								
	20 000	94 39	0 00	1,887 80	1,235 14	652 66	0 00	652 66
NORFOLK SOUTHN CORP COM CUSIP 655844108								
	45 000	72 86	0 00	3,278 70	3,037 71	240 99	0 00	240 99
OMNICOM GROUP INC COM CUSIP 681919106								
	65 000	44 58	16 25	2,897 70	2,997 28	-99 58	0 00	-99 58
ORACLE CORP COM CUSIP 66389X105								
	140 000	25 65	0 00	3,591 00	3,823 48	-232 48	0 00	-232 48
PRECISION CASTPARTS CORP COM CUSIP 740189105								
	11 000	164 79	0 33	1,812 69	1,868 96	-56 27	0 00	-56 27
PRINCIPAL FINL GROUP INC COM STK CUSIP 74251V102								
	105 000	24 60	0 00	2,583 00	3,121 69	-538 69	0 00	-538 69
PROCTER & GAMBLE COM NPV CUSIP 742718109								
	60 000	66 71	0 00	4,002 60	3,647 82	354 78	0 00	354 78
QUALCOMM INC COM CUSIP 747525103								
	70 000	54 70	0 00	3,829 00	3,651 71	177 29	0 00	177 29

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Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss		Total
						Market	Translation	
Equity Securities								
Common stock								
United States - USD								
SALESFORCE COM INC COM STK	CUSIP 79466L302							
25 000	101 46	0 00	0 00	2,536 50	2,620 56	-84 06	0 00	-84 06
SCHLUMBERGER LTD COM COM CUSIP 806857108								
32 000	68 31	8 00	8 00	2,185 92	2,940 92	-755 00	0 00	-755 00
SPECTRA ENERGY CORP COM STK CUSIP 847560109								
150 000	30 75	0 00	0 00	4,612 50	3,631 29	981 21	0 00	981 21
TRAVELERS COS INC COM STK CUSIP 89417E109								
35 000	59 17	0 00	0 00	2,070 95	1,850 28	220 67	0 00	220 67
UNITED TECHNOLOGIES CORP COM CUSIP 913017109								
30 000	73 09	0 00	0 00	2,192 70	1,136 16	1,056 54	0 00	1,056 54
UNITEDHEALTH GROUP INC COM CUSIP 91324P102								
80 000	50 68	0 00	0 00	4,054 40	2,705 38	1,349 02	0 00	1,349 02
US BANCORP CUSIP 902973304								
115 000	27 05	14 37	14 37	3,110 75	3,406 86	-296 11	0 00	-296 11
V F CORP COM CUSIP 918204108								
32 000	126 99	0 00	0 00	4,063 68	3,390 18	673 50	0 00	673 50
VERIZON COMMUNICATIONS COM CUSIP 92343V104								
50 000	40 12	0 00	0 00	2,006 00	1,854 26	151 74	0 00	151 74

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Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Equity Securities								
Common stock								
United States - USD								
WAL-MART STORES INC COM	CUSIP 931142103							
30 000	59 76	10 95	1,792 80	1,712 38	80 42	0 00		80 42
WALT DISNEY CO	CUSIP 254687106							
60 000	37 50	36 00	2,250 00	1,887 43	362 57	0 00		362 57
WELLS FARGO & CO NEW COM STK	CUSIP 949746101							
130 000	27 56	0 00	3,582 80	3,350 81	231 99	0 00		231 99
WHOLE FOODS MKT INC COM	CUSIP 966837106							
55 000	69 58	0 00	3,826 90	2,503 69	1,323 21	0 00		1 323 21
Total USD		173 01	171,080 17	142,584 17	28,496 00	0 00		28,496 00
Total United States		173 01	171,080 17	142,584 17	28,496 00	0 00		28,496 00
Total Common Stock		173 01	176,057.57	147,089.23	28,968.34	0 00		28,968 34
Equity funds								
Emerging Markets Region - USD								
MFB NORTHN FDS MULTI-MANAGER EMERGING MKT EQTY FD	CUSIP 665162483							
3,030 830	16 21	0 00	49,129 75	44,127 90	5,001 85	0 00		5,001 85
Total USD		0 00	49,129 75	44,127 90	5,001 85	0 00		5,001 85
Total Emerging Markets Region		0 00	49,129 75	44,127 90	5,001 85	0 00		5,001 85
Global Region - USD								

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◆ Asset Detail - Base Currency

Description / Asset ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Equity Securities							
Equity funds							
Global Region - USD							
MFC FLEXSHARES TR MORNINGSTAR GLOBAL UPSTREAM NAT RES INDEX FD CUSIP 33939L407							
157 000	33 00	13 87	5,181 00	4,935 29	245 71	0 00	245 71
Total USD		13 87	5,181 00	4,935 29	245 71	0 00	245 71
Total Global Region		13 87	5,181 00	4,935 29	245 71	0 00	245 71
International Region - USD							
MFB NORTHN MULTI-MANAGER INTL EQTY FD CUSIP 665162558							
9,170 710	8 27	0 00	75,841 77	61,967 71	13,874 06	0 00	13,874 06
Total USD		0 00	75,841 77	61,967 71	13,874 06	0 00	13,874 06
Total International Region		0 00	75,841 77	61,967 71	13,874 06	0 00	13,874 06
United States - USD							
MFB NORTHERN FUNDS SMALL CAP CORE FUND CUSIP 665162665							
802 670	14 18	0 00	11,381 86	11,556 27	-174 41	0 00	-174 41
Total USD		0 00	11,381 86	11,556 27	-174 41	0 00	-174 41
Total United States		0 00	11,381 86	11,556 27	-174 41	0 00	-174 41
Global Region - USD							
MFB NORTN MULTI-MANAGER MID CAP FD CUSIP 665162574							
2,056 250	10 92	0 00	22,454 25	17,121 11	5,333 14	0 00	5,333 14
Total USD		0 00	22,454 25	17,121 11	5,333 14	0 00	5,333 14
Total Global Region		0 00	22,454 25	17,121 11	5,333 14	0 00	5,333 14
United States - USD							
MFB NORTN MULTI-MANAGER SMALL CAP FD CUSIP 665162566							
1,268 310	8 76	0 00	11,110 39	10,066 14	1,044 25	0 00	1,044 25
Total USD		0 00	11,110 39	10,066 14	1,044 25	0 00	1,044 25
Total United States		0 00	11,110 39	10,066 14	1,044 25	0 00	1,044 25
Total Equity Funds		13 87	175,099 02	149,774 42	25,324 60	0 00	25,324 60
16,485 770							

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Description / Asset ID	Investment Mgr ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Equity Securities								
Other equity								
United States - USD								
SIMON PROPERTY GROUP INC COM CUSIP 828806109								
	32 000	128 94	0 00	4,126 08	3,091 00	1,035 08	0 00	1,035 08
Total USD			0 00	4,126 08	3,091 00	1,035 08	0 00	1,035 08
Total United States			0 00	4,126 08	3,091 00	1,035 08	0 00	1,035 08
Total Other Equity	32.000		0.00	4,126.08	3,091.00	1,035.08	0.00	1,035.08
Total Equity Securities								
	19,749 770		186.88	355,282 67	299,954.65	55,328.02	0 00	55,328 02
Fixed Income Securities								
Corporate/government								
United States - USD								
MFB NORTHERN FUNDS FIXED INCOME FD CUSIP 665162806								
	8,748 480	10 43	0 00	91,246 64	89,184 19	2,062 45	0 00	2,062 45
Issue Date 25 Aug 08								
MFB NORTHERN FUNDS MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND CUSIP 665162442								
	6,222 710	9 94	0 00	61,853 73	62,700 04	-846 31	0 00	-846 31
Total USD			0 00	153,100 37	151,884 23	1,216 14	0 00	1,216 14
Total United States			0 00	153,100 37	151,884 23	1,216 14	0 00	1,216 14

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Description / Asset ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Market	Unrealized gain/loss Translation	Total
Fixed Income Securities							
Total Corporate/Government			153,100.37	151,884.23	1,216.14	0.00	1,216.14
14,971,190		0.00					
Other bonds							
United States - USD							
MFC FLEXSHARES TR IBOXX 5 YR TARGET DURATION TIPS INDEX FD CUSIP 33939L605							
227 000	25.30	2.20	5,743.10	5,647.42	95.68	0.00	95.68
MFC FLEXSHARES TR IBOXX 3 YR TARGET DURATION TIPS INDEX FD CUSIP 33939L506							
226 000	25.06	7.97	5,663.56	5,629.43	34.13	0.00	34.13
Total USD		10.17	11,406.66	11,276.85	129.81	0.00	129.81
Total United States		10.17	11,406.66	11,276.85	129.81	0.00	129.81
Total Other Bonds		10.17	11,406.66	11,276.85	129.81	0.00	129.81
453 000							
Total Fixed Income Securities		10.17	164,507.03	163,161.08	1,345.95	0.00	1,345.95
15,424,190							
Real Estate							
Real estate funds							
Global Region - USD							
MFB NORTHN FDS MULTI-MANAGER GLOBAL REALSTATE FD CUSIP 665162475							
1,113 920	15.35	0.00	17,098.67	12,752.02	4,346.65	0.00	4,346.65
Total USD		0.00	17,098.67	12,752.02	4,346.65	0.00	4,346.65
Total Global Region		0.00	17,098.67	12,752.02	4,346.65	0.00	4,346.65

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Description / Asset ID	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss		Total
					Market	Translation	
Real Estate							
Total Real Estate Funds							
1,113.920		0.00	17,098.67	12,752.02	4,346.65	0.00	4,346.65
Total Real Estate							
1,113.920		0.00	17,098.67	12,752.02	4,346.65	0.00	4,346.65
Commodities							
Commodities							
Global Region - USD							
MFC SPDR GOLD TR GOLD SHS CUSIP 78463V107							
188.000	151.99	0.00	28,574.12	21,261.65	7,312.47	0.00	7,312.47
Total USD							
		0.00	28,574.12	21,261.65	7,312.47	0.00	7,312.47
Total Global Region							
		0.00	28,574.12	21,261.65	7,312.47	0.00	7,312.47
United States - USD							
MFO PIMCO FDS PAC INVT MGMT SER COMMODITY REALRETURN STRATEGY FD INSTL CUSIP 722005667							
651.850	6.54	0.00	4,263.09	3,942.81	320.28	0.00	320.28
Total USD							
		0.00	4,263.09	3,942.81	320.28	0.00	320.28
Total United States							
		0.00	4,263.09	3,942.81	320.28	0.00	320.28
Total Commodities							
839.850		0.00	32,837.21	25,204.46	7,632.75	0.00	7,632.75
Total Commodities							
839.850		0.00	32,837.21	25,204.46	7,632.75	0.00	7,632.75
Cash and Short Term Investments							

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USD - United States dollar								
		1.00	1.19	25,529.93	25,529.93	0.00	0.00	0.00
Total short term - all currencies								
			1.19	25,529.93	25,529.93	0.00	0.00	0.00
Total short term - all countries								
			1.19	25,529.93	25,529.93	0.00	0.00	0.00
Total Short Term								
			1.19	25,529.93	25,529.93	0.00	0.00	0.00
Total Cash and Short Term Investments								
			1.19	25,529.93	25,529.93	0.00	0.00	0.00
Total								
62,657,660			198.24	595,255.51	526,602.14	68,653.37	0.00	68,653.37

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