



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



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

2011

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

For calendar year 2011 or tax year beginning MAY 1, 2011, and ending APR 30, 2012

Name of foundation
BLACK & PHILLIPS FOUNDATION, INC.

Number and street (or P.O. box number if mail is not delivered to street address)
780 EAST MAIN STREET

City or town, state, and ZIP code
SPARTANBURG, SC 29302

Room/suite

A Employer identification number
57-0928657

B Telephone number
864-582-8564

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)
\$ 2,321,471. (Part I, column (d) must be on cash basis.)

J Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	235.		N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	44,299.	44,299.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	34,282.			
b Gross sales price for all assets on line 6a	246,838.			
7 Capital gain net income (from Part IV, line 2)		34,282.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	-3,757.	0.		STATEMENT 2
12 Total. Add lines 1 through 11	75,059.	78,581.		
13 Compensation of officers, directors, trustees, etc.	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	2,500.	1,250.		1,250.
c Other professional fees	14,538.	14,538.		0.
17 Interest	26.	26.		0.
18 Taxes	1,527.	0.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	72.	72.		0.
24 Total operating and administrative expenses. Add lines 13 through 23	18,663.	15,886.		1,250.
25 Contributions, gifts, grants paid	104,708.			104,708.
26 Total expenses and disbursements. Add lines 24 and 25	123,371.	15,886.		105,958.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-48,312.			
b Net investment income (if negative, enter -0-)		62,695.		
c Adjusted net income (if negative, enter -0-)			N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		11,786.		
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 7	1,548,357.	1,566,489.	2,291,745.
	c	Investments - corporate bonds	STMT 8	27,135.	27,135.	26,020.
11	Investments - land, buildings, and equipment basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other		49,977.			
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶ STATEMENT 9)		4,150.	3,706.	3,706.	
16	Total assets (to be completed by all filers)		1,641,405.	1,597,330.	2,321,471.	
Liabilities	17	Accounts payable and accrued expenses		654.	847.	
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶ BANK OVERDRAFT)		0.	4,044.	
23	Total liabilities (add lines 17 through 22)		654.	4,891.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		1,640,751.	1,592,439.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>					
	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				
30	Total net assets or fund balances		1,640,751.	1,592,439.		
31	Total liabilities and net assets/fund balances		1,641,405.	1,597,330.		

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	1,640,751.
2	Enter amount from Part I, line 27a	2	-48,312.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,592,439.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,592,439.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENTS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 246,838.		212,556.	34,282.

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			
b			
c			
d			
e			34,282.

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	34,282.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

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

☒ Yes ☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010			
2009			
2008			
2007			
2006			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	1,254.
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	1,254.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	1,254.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	680.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	680.	
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	574.	
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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> NONE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

SEE STATEMENT 10

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>MARIANNA HABISTEUTINGER</u> Telephone no. ► <u>864-582-8564</u> Located at ► <u>780 E. MAIN STREET, SPARTANBURG, SC</u> ZIP+4 ► <u>29302</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► <input type="checkbox"/>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ► <u>2010</u> , <u>2008</u> , _____ <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011) N/A	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

Form 990-PF (2011)

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

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

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

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

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

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

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

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

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **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? **N/A** **7b**

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MARIANNA HABISREUTINGER	TRUSTEE			
780 E. MAIN STREET				
SPARTANBURG, SC 29302	0.00	0.	0.	0.
PAULA B. BAKER	TRUSTEE			
780 E. MAIN STREET				
SPARTANBURG, SC 29302	0.00	0.	0.	0.

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

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

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

0

Form 990-PF (2011)

Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2011)

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	2,204,226.
b	Average of monthly cash balances	1b	49,053.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,253,279.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,253,279.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	33,799.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,219,480.
6	Minimum investment return. Enter 5% of line 5	6	110,974.

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	110,974.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,254.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,254.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	109,720.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	109,720.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	109,720.

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	105,958.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	105,958.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	105,958.

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				109,720.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			106,285.	
b Total for prior years:				
2008 , ,		582.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 105,958.				
a Applied to 2010, but not more than line 2a			105,958.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				0.
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		582.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		582.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			327.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				109,720.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
CANCER ASSOCIATION	NONE	501 (C) 3	UNRESTRICTED	6,950.
CHARLES LEA FOUNDATION	NONE	501 (C) 3	UNRESTRICTED	2,750.
CHILDREN'S ADVOCACY CENTER	NONE	501 (C) 3	UNRESTRICTED	3,000.
ELLEN SMITH HINES GIRLS HOME	NONE	501 (C) 3	UNRESTRICTED	2,615.
FIRST PRESBYTERIAN CHURCH	NONE	501 (C) 3	UNRESTRICTED	15,037.
Total SEE CONTINUATION SHEET(S) ▶ 3a				104,708.
b Approved for future payment				
NONE				
Total ▶ 3b				0.

13

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
MOBILE MEALS	NONE	501 (C) 3	UNRESTRICTED	2,000.
SALVATION ARMY	NONE	501 (C) 3		4,500.
SPARTANBURG ART MUSEUM	NONE	501 (C) 3	UNRESTRICTED	3,500.
SPARTANBURG COUNTY FOUNDATION	NONE	501 (C) 3	UNRESTRICTED	4,200.
SPARTANBURG DAY SCHOOL	NONE	501 (C) 3	UNRESTRICTED	2,750.
SPARTANBURG SOUP KITCHEN	NONE	501 (C) 3	UNRESTRICTED	1,000.
ST. LUKE'S FREE MEDICAL CLINIC	NONE	501 (C) 3	UNRESTRICTED	6,500.
THE WALKER FOUNDATION	NONE	501 (C) 3	UNRESTRICTED	1,000.
USC UPSTATE FOUNDATION	NONE	501 (C) 3	UNRESTRICTED	2,000.
WOFFORD COLLEGE	NONE	501 (C) 3	UNRESTRICTED	13,785.
Total from continuation sheets				74,356.

Part XV Supplementary Information**3** Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BETHLEHEM CENTER	NONE	501 (C) 3	UNRESTRICTED	1,000.
UPSTATE FOREVER	NONE	501 (C) 3	UNRESTRICTED	4,400.
THE MUSIC FOUNDATION	NONE	501 (C) 3	UNRESTRICTED	4,999.
CONVERSE COLLEGE	NONE	501 (C) 3	UNRESTRICTED	11,889.
HEALTHY SMILES	NONE	501 (C) 3	UNRESTRICTED	3,333.
THE ARTS PARTNERSHIP	NONE	501 (C) 3	UNRESTRICTED	1,000.
THE GROUP OF 100	NONE	501 (C) 3	UNRESTRICTED	2,000.
HALTER	NONE	501 (C) 3	UNRESTRICTED	1,000.
CHARLESTON ARTS & ANTIQUES	NONE	501 (C) 3	UNRESTRICTED	1,000.
TOTAL MINISTRIES	NONE	501 (C) 3	UNRESTRICTED	1,000.
Total from continuation sheets				

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	TERADATA CORP. - 500 SHARES	P	12/02/10	08/19/11
b	AEGION CORP COM - 500 SHARES	P	04/20/11	02/07/12
c	CHEVRON CORP. - 350 SHARES	P	03/02/06	06/14/11
d	CISCO SYSTEMS INC. - 500 SHARES	P	05/02/97	06/14/11
e	JOHNSON & JOHNSON - 250 SHARES	P	11/22/99	06/14/11
f	HENNES & MAURITZ - 3000 SHARES	P	03/05/10	07/21/11
g	BB&T CORP - 500 SHARES	P	05/08/09	08/04/11
h	FLUOR CORP - 150 SHARES	P	08/05/08	08/04/11
i	FLUOR CORP - 150 SHARES	P	12/03/08	08/04/11
j	FLUOR CORP - 200 SHARES	P	02/19/09	08/04/11
k	NUCOR CORP - 250 SHARES	P	05/08/09	08/03/11
l	NUCOR CORP - 250 SHARES	P	07/16/09	08/03/11
m	CISCO SYSTEMS INC. - 200 SHARES	P	05/02/97	02/07/12
n	CISCO SYSTEMS INC. - 300 SHARES	P	05/21/97	02/07/12
o	TEVA PHARMACEUTICALS - 254 SHARES	P	08/02/06	02/07/12

(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 21,740.		20,724.	1,016.
b 8,945.		12,929.	-3,984.
c 35,230.		19,976.	15,254.
d 7,410.		3,147.	4,263.
e 16,681.		13,141.	3,540.
f 20,064.		19,370.	694.
g 11,985.		12,615.	-630.
h 8,506.		11,480.	-2,974.
i 8,506.		6,838.	1,668.
j 11,342.		7,915.	3,427.
k 9,177.		11,067.	-1,890.
l 9,177.		11,116.	-1,939.
m 3,990.		1,259.	2,731.
n 5,985.		2,239.	3,746.
o 11,360.		8,763.	2,597.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,016.
b			-3,984.
c			15,254.
d			4,263.
e			3,540.
f			694.
g			-630.
h			-2,974.
i			1,668.
j			3,427.
k			-1,890.
l			-1,939.
m			2,731.
n			3,746.
o			2,597.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7
If (loss), enter "-0-" in Part I, line 7 }

2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):

If gain, also enter in Part I, line 8, column (c).

If (loss), enter "-0-" in Part I, line 8

3

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	PIMCO COM REAL RET TRAKR	P	06/28/06	06/30/11
b	CAPITAL GAINS DIVIDENDS			
c				
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 55,480.		49,977.	5,503.
b 1,260.			1,260.
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			5,503.
b			1,260.
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	34,282.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
-------------	--	-----------	---

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FROM K-1 - KINDER MORGAN	63.	0.	63.
MORGAN STANLEY	45,496.	1,260.	44,236.
TOTAL TO FM 990-PF, PART I, LN 4	45,559.	1,260.	44,299.

FORM 990-PF	OTHER INCOME	STATEMENT	2
-------------	--------------	-----------	---

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
KINDER MORGAN- PASSIVE ACTIVITY LOSS	-3,757.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-3,757.	0.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
-------------	-----------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	2,500.	1,250.		1,250.
TO FORM 990-PF, PG 1, LN 16B	2,500.	1,250.		1,250.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
-------------	-------------------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	14,538.	14,538.		0.
TO FORM 990-PF, PG 1, LN 16C	14,538.	14,538.		0.

FORM 990-PF	TAXES		STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX ON INVESTMENTS	1,254.	0.		0.
FEDERAL EXCISE TAX ON UNDISTRIBUTED INCOME	273.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,527.	0.		0.

FORM 990-PF	OTHER EXPENSES		STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK FEES	72.	72.		0.
TO FORM 990-PF, PG 1, LN 23	72.	72.		0.

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
ABBOTT LABORATORIES	12,406.		15,515.	
AIR PRODUCTS & CHEM	24,998.		55,569.	
APPLE INC	22,198.		87,597.	
BECTON DICKINSON	35,120.		39,225.	
C R BARD INC	21,157.		24,740.	
CATERPILLAR INC	20,580.		51,385.	
CISCO SYSTEMS	12,140.		20,155.	
CLEAN HARBORS	15,311.		40,944.	
COCA COLA CO	26,524.		38,160.	
COLGATE PALMOLIVE	23,199.		49,470.	
DEERE & CO	18,283.		28,826.	
DIAGEO PLC SPSC ADR	32,266.		50,560.	
DISNEY (WALT)	21,669.		43,110.	
DUKE ENERGY	36,370.		42,860.	
EXXON MOBIL	43,117.		64,755.	
FLOWERVE CORP	29,160.		57,465.	
FMC CORP NEW	19,581.		38,658.	
FREEPORT MCMORAN	13,564.		30,640.	

GENERAL ELECTRIC	21,012.	39,160.
GOLDMAN SACHS GRP INC	23,715.	17,273.
HALLIBURTON	28,130.	27,376.
ISHARE MSCI EMERGING MKTS FD	52,740.	52,769.
ISHARE SILVER TRUST	20,801.	15,055.
ISHARES TR RUSSELL 2000 INDEX FD	60,992.	69,738.
ISHARES TRUST S&P MIDCAP 400 INDEX FD	116,632.	149,872.
JOHNSON & JOHNSON	29,920.	32,550.
JP MORGAN CHASE & CO	22,046.	25,788.
KIMBERLY CLARK CORP	30,308.	47,082.
KINDER MORGAN ENERGY PTRS LP	14,018.	24,732.
MICROSOFT	6,628.	48,023.
NORFOLK SOUTHERN CORP	14,923.	18,233.
ORACLE CORP	13,531.	14,700.
PEABODY ENERGY CORP	38,827.	31,110.
PEPSICO	27,766.	49,500.
PLUM CREEK TIMBER CO INC	27,091.	31,530.
POTASH CP OF SASKATCHEWAN	21,368.	19,116.
PROCTER & GAMBLE	49,144.	63,640.
SCHLUMBERGER LTD	21,553.	74,140.
SMUCKER JM CO COM	29,839.	39,815.
SPDR GOLD TR GOLD SHS	61,048.	80,940.
STRYKER CORP	18,397.	16,371.
TEVA PHARMACEUTICAL	16,251.	22,883.
UNION PACIFIC CORP	19,987.	39,354.
UNITED TECHS CORP	29,256.	40,820.
VANGUARD INTL EQUITY INDEX FD	43,608.	43,420.
VERIZON COMMUNICATIONS	21,194.	30,285.
VISA INC CL A	22,273.	36,894.
WAL-MART	25,567.	29,455.
WALGREEN CO	21,202.	26,295.
YUM BRANDS	23,511.	72,730.
APACHE CORP	11,930.	9,594.
CHESAPEAKE GRANITE WASH TRUST	13,120.	11,925.
CREDIT ACCEPTANCE CORP.	9,378.	9,403.
MCDONALD'S CORP	15,128.	14,618.
NIKE INC.	25,230.	33,561.
NORDSTROM INC.	14,889.	16,758.
OCCIDENTAL PETROLEUM CORP.	15,815.	13,683.
PNC FIN SVCS	15,373.	16,580.
SEMPRA ENERGY	24,820.	32,370.
SOUTHERN CO.	19,885.	22,970.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,566,489.	2,291,745.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
-------------	-----------------	-----------	---

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JPM CHASE CAPITAL XXVI 8%	27,135.	26,020.
TOTAL TO FORM 990-PF, PART II, LINE 10C	27,135.	26,020.

FORM 990-PF	OTHER ASSETS	STATEMENT	9
-------------	--------------	-----------	---

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED DIVIDENDS	3,735.	3,280.	3,280.
ACCRUED INTEREST	415.	426.	426.
TO FORM 990-PF, PART II, LINE 15	4,150.	3,706.	3,706.

FORM 990-PF	EXPLANATION CONCERNING PART VII-A, LINE 8B	STATEMENT	10
-------------	--	-----------	----

EXPLANATION

BLACK & PHILLIPS FOUNDATION, INC. DOES NOT SOLICIT CONTRIBUTIONS FROM THE PUBLIC AND IS EXEMPT FROM FILING A COPY OF FORM 990-PF TO THE SECRETARY OF STATE.