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Form 990-PF

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 07-01-2011, and ending 06-30-2012

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

Name of foundation **A** Employer identification number
 NARTEL FAMILY FOUNDATION 38-2477768

Number and street (or P O box number if mail is not delivered to street address) **B** Telephone number (see page 10 of the instructions)
 141 HARROW LANE (989) 791-0000

City or town, state, and ZIP code **C** If exemption application is pending, check here
 SAGINAW, MI 486386093 **D** 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

H Check type of organization Section 501(c)(3) exempt private foundation **E** If private foundation status was terminated under section 507(b)(1)(A), check here
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation **F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **J** Accounting method **K** Cash **L** Accrual
 \$ 4,519,863 **M** Other (specify) **N** (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 page 11 of the 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.	118,163	118,163		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		85,229		
8	Net short-term capital gain			421	
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)				
12	Total. Add lines 1 through 11	118,163	203,392	421	

13	Compensation of officers, directors, trustees, etc	41,000	10,250	30,750
14	Other employee salaries and wages			
15	Pension plans, employee benefits			
16a	Legal fees (attach schedule)	4,000		4,000
b	Accounting fees (attach schedule)	39,012	39,012	
c	Other professional fees (attach schedule)			
17	Interest			
18	Taxes (attach schedule) (see page 14 of the instructions)	2,139	2,139	
19	Depreciation (attach schedule) and depletion			
20	Occupancy			
21	Travel, conferences, and meetings	6,447		6,447
22	Printing and publications			
23	Other expenses (attach schedule)	1,056	370	686
24	Total operating and administrative expenses.			
	Add lines 13 through 23	93,654	51,771	41,883
25	Contributions, gifts, grants paid	246,067		246,067
26	Total expenses and disbursements. Add lines 24 and 25	339,721	51,771	287,950

27	Subtract line 26 from line 12			
a	Excess of revenue over expenses and disbursements	-221,558		
b	Net investment income (if negative, enter -0-)		151,621	
c	Adjusted net income (if negative, enter -0-)			421

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets				
1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	105,969	63,693	63,693
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 page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ►			
	Less allowance for doubtful accounts ►			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	3,994,701	3,900,324	4,456,170
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)	4,100,670	3,964,017	4,519,863
Liabilities				
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ►)			
23	Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ►			
	and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ►			
	and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	4,100,670	3,964,017	
30	Total net assets or fund balances (see page 17 of the instructions)	4,100,670	3,964,017	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	4,100,670	3,964,017	

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	4,100,670
2	Enter amount from Part I, line 27a	2	-221,558
3	Other increases not included in line 2 (itemize) ►	3	84,905
4	Add lines 1, 2, and 3	4	3,964,017
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,964,017

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 See Additional Data Table				
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 See Additional Data Table				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a See Additional Data Table				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	85,229
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8			3	421

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 page 18 of 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	255,940	4,130,620	0 061962
2009	261,790	4,269,815	0 061312
2008	298,318	3,933,608	0 075838
2007	325,716	5,435,725	0 059921
2006	317,134	5,497,591	0 057686
2 Total of line 1, column (d).			2 0 316719
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0 063344
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.			4 4,116,449
5 Multiply line 4 by line 3.			5 260,752
6 Enter 1% of net investment income (1% of Part I, line 27b).			6 1,516
7 Add lines 5 and 6.			7 262,268
8 Enter qualifying distributions from Part XII, line 4.			8 287,950

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1	1	1,516
	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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,516
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	1,516
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	1,516
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,370
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	1,370
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	146
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"/> 0 Refunded <input type="checkbox"/> 11	11	

Part VII-A Statements Regarding Activities

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?		Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?		Yes	No
	<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>			
1c	Did the foundation file Form 1120-POL for this year?		Yes	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year			
	(1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?		Yes	No
	<i>If "Yes," attach a detailed description of the activities.</i>			
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>		Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		Yes	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?		Yes	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?		Yes	No
	<i>If "Yes," attach the statement required by General Instruction T.</i>			
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?			
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>		Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> MI			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation.</i>		Yes	
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 on page 27)? <i>If "Yes," complete Part XIV</i>		Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		Yes	No

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ► N/A				
14	The books are in care of ► FRANK M POLASKY Located at ► 141 HARROW LANE SUITE 1 SAGINAW MI	Telephone no ► (989) 791-0000 ZIP +4 ► 486386093		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ►	15		
16	and enter the amount of tax-exempt interest received or accrued during the year			
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 ►				

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	□ Yes	✓ No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	□ Yes	✓ No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	□ Yes	✓ No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	□ Yes	✓ No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	□ Yes	✓ No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days).	□ Yes	✓ No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the 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	No
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?	2a	
	► If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	2b	No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	3a	
	► If "Yes," attach Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.		
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	No
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	No

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))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/> ►	5b	
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? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "Yes," attach the statement required by Regulations section 53.4945-5(d).</i>		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	7b	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		

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 page 22 of the 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 Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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				
Total number of other employees paid over \$50,000.				► 0

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 page 23 of the instructions). If none, enter "NONE"

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
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.

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	<hr/> <hr/>	
2	<hr/> <hr/>	
3	<hr/> <hr/>	
4	<hr/> <hr/>	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1		
2		
All other program-related investments See page 24 of the instructions		
3		

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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 4,130,620
b	Average of monthly cash balances.	1b 48,516
c	Fair market value of all other assets (see page 24 of the instructions).	1c 0
d	Total (add lines 1a, b, and c).	1d 4,179,136
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e
2	Acquisition indebtedness applicable to line 1 assets.	2
3	Subtract line 2 from line 1d.	3 4,179,136
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4 62,687
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 4,116,449
6	Minimum investment return. Enter 5% of line 5.	6 205,822

Part XI Distributable Amount (see page 25 of the 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.	1 205,822
2a	Tax on investment income for 2011 from Part VI, line 5.	2a 1,516
b	Income tax for 2011 (This does not include the tax from Part VI).	2b
c	Add lines 2a and 2b.	2c 1,516
3	Distributable amount before adjustments Subtract line 2c from line 1.	3 204,306
4	Recoveries of amounts treated as qualifying distributions.	4
5	Add lines 3 and 4.	5 204,306
6	Deduction from distributable amount (see page 25 of the instructions).	6
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7 204,306

Part XII Qualifying Distributions (see page 25 of the 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 287,950
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
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	4 287,950
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 page 26 of the instructions).	5 1,516
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6 286,434

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				204,306
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011				
a From 2006.	50,709			
b From 2007.	66,480			
c From 2008.	103,730			
d From 2009.	44,207			
e From 2010.	257,272			
f Total of lines 3a through e.	522,398			
4 Qualifying distributions for 2011 from Part XII, line 4 ► \$ _____ 287,950				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).				
d Applied to 2011 distributable amount.				202,675
e Remaining amount distributed out of corpus	85,275			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:	607,673			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				1,631
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions).	50,709			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	556,964			
10 Analysis of line 9				
a Excess from 2007.	66,480			
b Excess from 2008.	103,730			
c Excess from 2009.	44,207			
d Excess from 2010.	257,272			
e Excess from 2011.	85,275			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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. <input type="text"/>			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
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 organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the 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	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 See Additional Data Table				
Total			► 3a	246,067
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.					
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory.					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e).					118,163
13 Total Add line 12, columns (b), (d), and (e).				13	118,163
(See worksheet in line 13 instructions on page 28 to verify calculations.)					

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

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization or

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization.
- (2) Purchases of assets from a noncharitable exempt organization.
- (3) Rental of facilities, equipment, or other assets.
- (4) Reimbursement arrangements.
- (5) Loans or loan guarantees.
- (6) Performance of services or membership or fundraising solicitations.

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

	Yes	No
1a(1)		No
1a(2)		No
1b(1)		No
1b(2)		No
1b(3)		No
1b(4)		No
1b(5)		No
1b(6)		No
1c		No

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations?

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship		
<p>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.</p>				
<p>*****</p>	<p>2012-09-12</p>	<p>*****</p>		
<p>Signature of officer or trustee</p>	<p>Date</p>	<p>Title</p>		
<p>Sign Here Paid Preparer's Use Only</p>	<p>Preparer's Signature</p>	<p>Date</p>	<p>Check if self-employed <input checked="" type="checkbox"/></p>	<p>PTIN</p>
	<p>FRANK M POLASKY</p>			
	<p>Firm's name</p>	<p>FRANK M POLASKY PLC</p>		
	<p>141 HARROW LN</p>			
<p>Firm's address</p>	<p>SAGINAW, MI 486386093</p>			

May the IRS discuss this return with the preparer shown above? See Instructions Yes No

Additional Data

Software ID:

Software Version:

EIN: 38-2477768

Name: NARTEL FAMILY FOUNDATION

Part VI Line 7 - Tax Paid Original Return: 1370

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
3270 321 Federated Total Ret Bd Fd	P	2011-07-31	2011-08-23
Long Term Capital Gain Dist from Advisory Account	P	2011-06-30	2012-06-30
666 965 Aston Montag & Caldwell Gr Fd	P	2007-12-14	2012-05-03
1535 241 Bridgeway Ultra-Small	P	2010-12-15	2012-03-23
173 632 Columbia Value and Restructuring Fd Cl	P	2007-10-03	2012-05-03
12030 609 DFA US Core Eq	P	2008-10-01	2012-03-23
236 444 Federated Total Ret Bd Fd	P	2011-04-13	2012-05-03
49 221 Harbor Intl	P	2007-10-03	2012-03-23
1025 357 JP Morgan US Real Estate Fd	P	2008-03-24	2012-05-03
3055 128 Pimco Fds Total Ret Fd	P	2010-06-02	2012-05-03
438 302 Pimco High Yld Fd	P	2004-12-14	2011-08-23
1361 766 T Rowe Price Intl Bd Fd	P	2007-12-18	2012-05-03
2307 282 Schwab Fundamental US	P	2010-11-23	2012-03-23
19452 894 Vanguard Total Bd Mkt Indx Fd	P	2009-11-16	2012-05-03
2644 187 Vanguard Inflation Protctd Sec Fd	P	2010-06-29	2012-05-03
2022 625 Vanguard Total Stock	P	2010-12-22	2012-05-03

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
37,118	0	36,697	421
31,877	0	0	31,877
16,741	0	17,955	-1,214
22,875	0	19,666	3,209
8,531	0	10,291	-1,760
145,089	0	115,133	29,956
2,712	0	2,636	76
2,945	0	3,702	-757
18,332	0	19,082	-750
33,615	0	33,514	101
3,875	0	4,361	-486
14,412	0	13,113	1,299
24,226	0	23,903	323
214,320	0	207,095	7,225
37,502	0	34,208	3,294
68,196	0	55,781	12,415

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - I

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

**(I) Gains (Col (h) gain minus
col (k), but not less than -0-) or
Losses (from col (h))**

(i) 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	(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
0	0	0	421
0	0	0	31,877
0	0	0	-1,214
0	0	0	3,209
0	0	0	-1,760
0	0	0	29,956
0	0	0	76
0	0	0	-757
0	0	0	-750
0	0	0	101
0	0	0	-486
0	0	0	1,299
0	0	0	323
0	0	0	7,225
0	0	0	3,294
0	0	0	12,415

Form 990PF Part XV Line 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				
ST LUKES NEW LIFE CENTER3115 LAWNDALE FLINT, MI 48504		501(c)(3)	GivingGeneral Charitable	6,000
BOYS & GIRLS CLUB OF FLINT3701 N AVERILL AVE FLINT, MI 48506		501(c)(3)-	GivingGeneral Charitable-	17,000
MUSEUM OF JEWISH HERITAGE36 BATTERY PLACE-BATTERY PARK CITY NEW YORK, NY 10280		501(c)(3)-	GivingGeneral Charitable-	10,000
NATIONAL MS SOCIETY21311 CIVIC CENTER DRIVE SOUTHFIELD, MI 48076		501(c)(3)	GivingGeneral Charitable	2,000
OUR LADY OF GUADALUPE CATHOLIC2316 W COLDWATER RD FLINT, MI 48505		501(c)(3)	GivingGeneral Charitable	2,000
GREATER FLINT HOCKEY ASSOC 1160 S ELMS FLINT, MI 48532		501(c)(3)	GivingGeneral Charitable	200
CHABAD HOUSE5385 CALKINS RD FLINT, MI 48532		501(c)(3)	GivingGeneral Charitable	10,000
FLINT INSTITUTE OF MUSIC1025 E KEARSLEY ST FLINT, MI 48503		501(c)(3)	GivingGeneral Charitable	10,000
INTERNATIONAL CRANE FOUNDATION11376 SHADY LANE RD BARABOO, WI 53913		501(c)(3)	GivingGeneral Charitable	5,000
WHALEY CHILDRENS CENTER1201 N GRAND TRAVERSE ST FLINT, MI 48503		501(c)(3)	GivingGeneral Charitable	30,850
GENESEE COUNTY FREE MEDICAL CENTER2437 WELCH BLVD FLINT, MI 48504		501(c)(3)	GivingGeneral Charitable	5,250
GENESYS CENTER FOR GERONTOLOGY3919 BEECHER RD FLINT, MI 48532		501(c)(3)	GivingGeneral Charitable	5,000
FLINT COMMUNITY PLAYERS2462 S BALLENGER HWY FLINT, MI 48507		501(c)(3)	GivingGeneral Charitable	5,000
U OF M FLINT HOCKEY CLUB2 E 1ST STREET FLINT, MI 48502		501(c)(3)	GivingGeneral Charitable	100
CATHOLIC OUTREACH509 N GRAND TRAVERSE AVE FLINT, MI 48501		501(c)(3)	GivingGeneral Charitable	10,000
GENESEE COUNTY OF HUMANE SOCIETY3325 S DOR HWY BURTON, MI 48509		501(c)(3)	GivingGeneral Charitable	5,000
US HOLOCAUST MEMORIAL MUSEUM100 RAOUL WALLENGER PLACE SW WSHINGTON, DC 200242126		501(c)(3)	GivingGeneral Charitable	5,000
LEUKEMIA & LYMPHOMA SOCIETY PO BOX 4072 PITTSFIELD, MA 01202		501(c)(3)	Pledge-Final Endowment Growth	10,000
FIRST CONGREGATIONAL CHURCH 6494 BELSAY RD GRAND BLANC, MI 48439		501(c)(3)	GivingGeneral Charitable	5,000
TENTH LIFE INC3415 HULL FLINT, MI 48507		501(c)(3)	GivingGeneral Charitable	3,500
ALZHEIMERS SOCIETY225 N MICHIGAN AVE SUITE 1700 CHICAGO, IL 60601		501(c)(3)	Research	71,667
MARTUSLUNA MEMORIAL ASSOCIATION307 ISLAND DR BEAVERTON, MI 48612		501(c)(3)	General Charitable	5,000
CARRIAGE TOWN MINISTRIES605 GARLAND STREET FLINT, MI 48501		501(c)(3)	General Charitable	10,000
GENESEE COUNTY PARKS & RECREATION6140 BRAY RD FLINT, MI 48505		501(c)(3)	General Charitable	5,000
THE NEW MCCREE THEATRE5005 CLOVERLAWN FLINT, MI 48504		501(c)(3)	General Charitable	5,000
FLINT INSTITUTE OF ARTS1120 EAST KEARSLEY ST FLINT, MI 48503		501(c)(3)	General Charitable	2,500
Total				246,067

TY 2011 Accounting Fees Schedule

Name: NARTEL FAMILY FOUNDATION

EIN: 38-2477768

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Citizens Bank Accounting	39,012			

TY 2011 Investments - Other Schedule

Name: NARTEL FAMILY FOUNDATION

EIN: 38-2477768

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
Equity Mutual Funds from Investment Advisory Account		2,211,867	2,676,769
Fixed Income Mutual Funds from Investment Advisory Account		1,688,457	1,779,401

TY 2011 Other Expenses Schedule

Name: NARTEL FAMILY FOUNDATION

EIN: 38-2477768

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Michigan Corporate	20	20		
Stationary, etc	940	350		590
P O Box Fee	96			96

TY 2011 Other Increases Schedule**Name:** NARTEL FAMILY FOUNDATION**EIN:** 38-2477768

Description	Amount
Non-taxable dividends	8,372
990 PF Refund	131
Appreciation of Assets	71,417
Accrued Interest	4,985

TY 2011 Taxes Schedule

Name: NARTEL FAMILY FOUNDATION**EIN:** 38-2477768

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Federal estimated taxes	1,500	1,500		
Foreign taxes on dividends	639	639		

Form 990PF Part VIII Line 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
EVELYN NARTELSKI 6040 BELMONT CT GRAND BLANC, MI 48439	Pres/Treas 16 00	29,000	0	0
KATHY REMBOWSKI 328 S SAGINAW ST FLINT, MI 48502	Secretary 0	0	0	0
SHERWOOD DEVISSER 8695 PARSHALLVILLE RD FENTON, MI 48430	Trustee 1 00	4,000	0	0
SYLVIA MCCOWN 1638 OKLAHOMA FLINT, MI 48506	Trustee 1 00	4,000	0	0
TIMOTHY ALLEN 5205 BLOSS DR SWARTZ CREEK, MI 48473	Trustee 1 00	4,000	0	0