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Form

990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation VERL I BROOKS SCHOLARSHIP FOUNDATION		A Employer identification number 36-3967580	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 967		B Telephone number (see instructions) (309) 453-4759	
City or town, state, and ZIP code GALESBURG, IL 614020967		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☒ \$ 2,150,153	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) ☐ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	29	29		
	4 Dividends and interest from securities.	83,361	83,361		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	95			
	b Gross sales price for all assets on line 6a <u>243,095</u>				
	7 Capital gain net income (from Part IV, line 2)		95		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	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	83,485	83,485		
	13 Compensation of officers, directors, trustees, etc	23,302	8,156		15,146
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	3,110	1,866		1,244
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	2,831			
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications	261	131		130
	23 Other expenses (attach schedule)	1,243	98		287
	24 Total operating and administrative expenses. Add lines 13 through 23	30,747	10,251		16,807
	25 Contributions, gifts, grants paid	73,589			73,589
	26 Total expenses and disbursements. Add lines 24 and 25	104,336	10,251		90,396
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-20,851			
	b Net investment income (if negative, enter -0-)		73,234		
	c Adjusted net income (if negative, enter -0-)				

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	17,917		
	2	Savings and temporary cash investments		164,557	164,557
	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)		☒ 50,000	50,077
	b	Investments—corporate stock (attach schedule)	717,653	☒ 866,176	1,218,849
	c	Investments—corporate bonds (attach schedule).	199,967	☒ 95,000	97,957
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	861,052	☒ 600,005	618,713
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
Liabilities	15	Other assets (describe ▶ _____)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,796,589	1,775,738	2,150,153
	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	1,796,589	1,775,738	
	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 page 17 of the instructions)	1,796,589	1,775,738	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,796,589	1,775,738	

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	1,796,589
2	Enter amount from Part I, line 27a	2	-20,851
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	1,775,738
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	1,775,738

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)
1 a	BANK OF AMERICA CD	P	2010-12-08	2012-07-02
b	DISCOVER BANK CD	P	2007-03-28	2012-04-04
c	GE CAPITAL FINANCIAL CD	P	2008-11-17	2012-11-20
d	GENERAL ELECTRIC CAP CORP	P	2002-12-02	2012-12-17
e	GENL MOTORS ACCEPT CORP	P	2002-07-10	2012-07-16

(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 50,000		50,000	
b 33,000		33,000	
c 55,000		55,000	
d 45,000		45,000	
e 60,000		60,000	

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			

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	95
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 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))
2011	88,460	2,066,421	0 042808
2010	105,178	1,898,663	0 055396
2009	98,591	1,859,133	0 053031
2008	106,014	2,055,792	0 051568
2007	153,042	2,192,147	0 069814

2 Total of line 1, column (d).	2	0 272617
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 054523
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	2,146,697
5 Multiply line 4 by line 3.	5	117,044
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	732
7 Add lines 5 and 6.	7	117,776
8 Enter qualifying distributions from Part XII, line 4.	8	90,396

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 page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	1,465
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	1,465
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	1,465
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
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	
8		Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	28
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	1,493
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 2013 estimated tax	Refunded	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
		1a		No
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)?			No
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file Form 1120-POL for this year?.	1c		No
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?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either - By language in the governing instrument, or - By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
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? If "No," attach explanation .	8b	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		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 instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶VBROOKSFOUNDATION.COM				
14	The books are in care of ▶FREDA BONNETT Telephone no ▶(309) 343-1348 Located at ▶647 CYPRESS LANE GALESBURG IL ZIP +4 ▶61401			
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		
16	At any time during calendar year 2012, 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		No
See 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)? ☐ Yes ☒ No	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 2012?	1c		
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i>)	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 2012?	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))?	☐ 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	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	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	

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
THOMAS BISCHOFF 997 335TH STREET NEW WINDSOR,IL 61465	TRUSTEE 1 00	3,500	0	0
MICHAEL SCHAUBROECK PO BOX 266 NEW WINDSOR,IL 61465	TRUSTEE 1 00	3,500	0	0
FREEDA M BONNETT 647 CYPRESS LANE GALESBURG,IL 61401	FOUNDATION M 20 00	16,302	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				
Total number of other employees paid over \$50,000.				

Part VIII

(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

1

2

3

4

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

1 N/A

2

All other program-related investments See page 24 of the instructions

3

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	2,071,804
b	Average of monthly cash balances.	1b	107,584
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	2,179,388
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	2,179,388
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	32,691
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,146,697
6	Minimum investment return. Enter 5% of line 5.	6	107,335

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	107,335
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	1,465
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,465
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	105,870
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	105,870
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	105,870

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	90,396
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	90,396
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	90,396
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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				105,870
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007.	11,771			
b From 2008.	4,880			
c From 2009.	7,148			
d From 2010.	11,651			
e From 2011.				
f Total of lines 3a through e.	35,450			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 90,396				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2012 distributable amount.				90,396
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	15,474			15,474
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	19,976			
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 instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions). . .				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.	19,976			
10 Analysis of line 9				
a Excess from 2008. . . .	1,177			
b Excess from 2009. . . .	7,148			
c Excess from 2010. . . .	11,651			
d Excess from 2011. . . .				
e Excess from 2012. . . .				

Part XIV

Private Operating Foundations (see 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 2012, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 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	Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 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))

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

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 or e-mail of the person to whom applications should be addressed

FREDA BONNETT
647 CYPRESS LANE
GALESBURG, IL 61401
(309) 343-1348

b

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

SCHOLARSHIP APPLICATION

c

Any submission deadlines

MAY 1ST OF EACH YEAR

d

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

RESIDENCE IN VIOLA TOWNSHIP, MERCER COUNTY, ILLINOIS FOR AT LEAST TWO YEARS PRIOR TO HIGH SCHOOL GRADUATION

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	73,589
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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			14	29	
4 Dividends and interest from securities.			14	83,361	
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			14	95	
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).				83,485	
13 Total. Add line 12, columns (b), (d), and (e).			13		83,485

[illegible]

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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash.	1a(1)		No
	(2) Other assets.	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

**Paid
Preparer
Use Only**

Sign Here ***** Signature of officer or trustee	2013-05-02 Date		***** Title		May the IRS discuss this return with the preparer shown below (see instr)? ☐ Yes ☒ No
Paid Preparer Use Only	Print/Type preparer's name ALEX C COURTNEY	Preparer's Signature ALEX C COURTNEY	Date 2013-05-01	Check if self-employed ☒	PTIN
	Firm's name COURTNEY & ALDRICH			Firm's EIN	
	64 S PRAIRIE ST 326 Firm's address			GALESBURG, IL 614014623 Phone no (866) 345-1915	

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 <i>Paid during the year</i>				
ADAMS TIFFANY 2952 STATE HWY 17 NEW WINDSOR,IL 61465	NONE		EDUCATION	1,925
ANDERSON REBECCA PO BOX 442 NEW WINDSOR,IL 61465	NONE		EDUCATION	3,000
ADAMSON KAITLYN 2819 140TH AVE SHERRARD,IL 61281	NONE		EDUCATION	4,300
ADAMSON MAGGIE 3270 110TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	2,400
DILLBECK JASON 305 SOUTH 11TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	1,200
DOLAN DANIEL 1072 OLIVE ST GALESBURG,IL 61401	NONE		EDUCATION	1,675
DEVLIN LUCAS 905 W SYCAMORE NEW WINDSOR,IL 61465	NONE		EDUCATION	2,450
ERICSON LOGAN 981 305TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	1,175
FUHR RICHARD PO BOX 466 NEW WINDSOR,IL 61465	NONE		EDUCATION	1,250
GALVIN TREVOR 668 330TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	2,700
HARLAND ARIAL 1220 1ST AVE NE GMU 421 CEDAR RAPIDS,IA 52402	NONE		EDUCATION	7,600
HAST ELAINE 3232 75TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	4,475
JACOBSON CONRAD 1637 N DRAKE 2R CHICAGO,IL 60647	NONE		EDUCATION	2,200
JACOBSON LINDSAY 4507 N KIMBALL AVE 2 CHICAGO,IL 60625	NONE		EDUCATION	1,800
KIRWAN ASHLEY 954 305TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	4,675

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 <i>Paid during the year</i>				
KIRWAN KATIE 954 305TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	2,075
KNESS CARLEE PO BOX 374 NEW WINDSOR,IL 61465	NONE		EDUCATION	2,175
LITTON RYAN 3414 DEVILS GLEN CT BETTENDORF,IA 52722	NONE		EDUCATION	3,650
MARPLE MARCUS 130 SE HAZELWOOD DR WAUKEE,IA 50263	NONE		EDUCATION	1,450
POWELL ISAAC 131 N 9TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	439
RAES SHARON PO BOX 265 NEW WINDSOR,IL 61465	NONE		EDUCATION	3,000
ROBB CAITLYN 1041 310TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	2,525
ROBB NOLAN 1041 310TH ST NEW WINDSOR,IL 61465	NONE		EDUCATION	2,900
RYAN AMANDA 300 S 11TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	1,500
STEGALL BREEANNA 4300 CANAL RD NEW WINDSOR,IL 61465	NONE		EDUCATION	1,500
STREETER EMILY 3156 110TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	4,100
STOCKHAM VICTORIA 910 MAIN ST NEW WINDSOR,IL 61465	NONE		EDUCATION	2,450
VANN JESSICA 401 S 5TH AVE NEW WINDSOR,IL 61465	NONE		EDUCATION	3,000
Total  3a				73,589

TY 2012 Accounting Fees Schedule

Name: VERL I BROOKS SCHOLARSHIP

FOUNDATION

EIN: 36-3967580

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
	3,110	1,866		1,244

TY 2012 Compensation Explanation

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

Person Name	Explanation
THOMAS BISCHOFF	
MICHAEL SCHAUBROECK	
FREEDA M BONNETT	

**TY 2012 Investments Corporate
Bonds Schedule**

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

Name of Bond	End of Year Book Value	End of Year Fair Market Value
GMAC 6.7% 8/15/16	30,000	29,942
GMAC 6.75% 7/15/12		
GENERAL ELECTRIC 4.95% 12/15/12		
HOME DEPOT INC	65,000	68,015

**TY 2012 Investments Corporate
Stock Schedule**

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ALLIANT ENERGY	28,505	43,910
ALLSTATE CORP	26,020	22,093
ALTRIA GROUP	14,313	31,440
AMEREN CORP	23,619	18,432
AVISTA CORP	49,419	38,745
BANK OF AMERICA	49,655	15,093
DOMINION RES INC	25,737	41,440
DUKE ENERGY CORP	14,907	22,394
EXELON CORPORATION	51,928	29,740
EXXON MOBILE CORP	81,059	173,100
FIRST TRUST PORTFOLIOS	101,356	100,031
GENERAL MILLS	40,902	60,630
HAWAIIAN ELEC	38,391	53,800
INTEGRYS ENERGY GROUP INC	49,485	78,330
NEXTERA ENERGY INC	35,377	69,190
PEPCO HOLDINGS INC	49,267	41,181
PHILIP MORRIS INTL	16,136	62,730
SCANA CORP	26,140	34,230
SPECTRA ENERGY CORP	10,737	14,402
SYSCO CORPORATION	49,956	52,239
THE SOUTHERN CO	30,482	82,409
WISCONSIN ENERGY	50,285	125,290
NEW WINDSOR TELE CO	2,500	8,000

TY 2012 Investments Government Obligations Schedule

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

**US Government Securities - End of
Year Book Value:** 50,000

**US Government Securities - End of
Year Fair Market Value:** 50,077

**State & Local Government
Securities - End of Year Book
Value:**

**State & Local Government
Securities - End of Year Fair
Market Value:**

TY 2012 Investments - Other Schedule

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
DISCOVER BANK CD	AT COST		
GE CAPITAL FINANCIAL CD	AT COST		
AMERICAN EXP BANK CD	AT COST	60,000	62,248
CAPITAL ONE BK USA NA CD	AT COST	50,000	53,632
CAPTI ONENA MCLEAN VA CT CD	AT COST	50,000	51,458
DISCOVER BANK CD	AT COST	50,000	50,428
CITIBANK NA CD	AT COST	95,000	97,962
WF MONEY MARKET	AT COST		
AMEXP CENTURION BK CD	AT COST	100,000	102,872
BANK OF AMERICA CD 04/01/14 CD	AT COST		
HSBC BK USA CS 2/16/22 CD	AT COST	95,005	99,641
GOLDMAN SACHS BK USA CD	AT COST	50,000	51,087
GOLDMAN SACHS BK USA 10-26-27 CD	AT COST	50,000	49,385

TY 2012 Other Expenses Schedule

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION

EIN: 36-3967580

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
MISCELLANEOUS INVESTMENT FEES	25	25		
OFFICE SUPPLIES	145	73		72
WEBSITE FEES	200			200
IL CHARITY BUREAU FEES	15			15
MISCELLANEOUS	858			

TY 2012 Taxes Schedule

Name: VERL I BROOKS SCHOLARSHIP
FOUNDATION
EIN: 36-3967580

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	2,831			