

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2011 calendar year, or tax year beginning** \_\_\_\_\_ **and ending** \_\_\_\_\_

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> The Air Force Museum Foundation, Inc. Doing Business As		<b>D Employer identification number</b> 31-0668800
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite		<b>E Telephone number</b> (937) 258-1218
	P.O. Box 33624		<b>G Gross receipts \$</b> 22,936,251.
	City or town, state or country, and ZIP + 4 Wright Patterson AFB, OH 45433-0624		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
	F Name and address of principal officer: Mr. Robert J. Suttman II same as C above		<b>H(c) Group exemption number</b> ▶

**I Tax-exempt status:**  501(c)(3)  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**J Website:** ▶ www.airforcemuseum.com

**K Form of organization:**  Corporation  Trust  Association  Other ▶ **L Year of formation:** 1966 **M State of legal domicile:** OH

<b>Part I Summary</b>		Prior Year	Current Year
<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: Support of the National Museum of the United States Air Force.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	28
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	28
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	48
	6 Total number of volunteers (estimate if necessary)	6	37
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	6,459,027.	11,008,105.
	9 Program service revenue (Part VIII, line 2g)	1,024,404.	846,722.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	657,140.	502,937.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,398,099.	1,383,184.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,538,670.	13,740,948.
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	750,000.	11,614.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,136,975.	1,232,502.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 558,797.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,276,763.	1,130,306.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,163,738.	2,374,422.
19 Revenue less expenses. Subtract line 18 from line 12	6,374,932.	11,366,526.	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16)	Beginning of Current Year 29,580,557.	End of Year 40,692,281.
	21 Total liabilities (Part X, line 26)	133,445.	144,649.
	22 Net assets or fund balances. Subtract line 21 from line 20	29,447,112.	40,547,632.

**Part II Signature Block**

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 officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer 	Date 5/14/12
	Mr. Robert J. Suttman II, Treasurer Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name Rebecca Lyons	Preparer's signature 
	Firm's name ▶ Deloitte Tax LLP	Date 5/11/12
	Firm's address ▶ 250 East Fifth Street, Suite 1900 Cincinnati, OH 45202	Check if self-employed <input type="checkbox"/> PTIN P01487105
		Firm's EIN ▶ 86-1065772
		Phone no. (513) 784-7100

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



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

To assist in developing and increasing the facilities of the National Museum of the United States Air Force and to portray and preserve the history of the United States Air Force and its predecessor services by exhibiting aeronautical items associated with celebrated events,

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,312,829. including grants of \$ ) (Revenue \$ 2,209,679. ) Operation of a Museum Store (including a significant book store of USAF and related educational materials) and Imax Theatre and Film Ride Theatre in accordance with the Foundation's exempt purpose. Operation of a small cafe-style eating facility. Operations include publicizing the Museum and furthering its educational benefits to 1.3 million visitors/year.

4b (Code: ) (Expenses \$ 150,715. including grants of \$ ) (Revenue \$ 20,227. ) Provide assistance for Museum Operations, including facility improvements, promotion of the Museum and its many varied activities, support for the volunteer program and volunteer recognition, support for the nationally recognized lecture series by notable airman and space-related persons, support for the Museum educational programs including spacecamp, teacher training, home school events, and other educational activities and support for Museum special events such as military group reunions, concerts, exhibit openings, etc.

4c (Code: ) (Expenses \$ 11,614. including grants of \$ ) (Revenue \$ ) Donate funds to the United States Air Force Museum for facility improvement and expansion. The current expansion program is estimated at \$48M to add 224,000 sq. ft. of exhibit space comprised of three new galleries including a space gallery presenting the Air Force role in space, a presidential aircraft gallery displaying 'Air Force One' aircraft, and a global reach gallery showing the important role of airlift in military operations. The United States government requires 100% of the cost of construction prior to obligating a project. The Air Force Museum Foundation donated an initial \$750,000 in 2010 for design and preliminary testing and \$11,614 for modular furniture upgrades in 2011. The Air Force Museum Foundation has an additional \$35M available for the project and hired a new full-time Chief Development Officer in

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,475,158.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	<input type="checkbox"/>	<input type="checkbox"/>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	x	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		x
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		x
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		x
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		x
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		x
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		x
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		x
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		x
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		x
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		x
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	x	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		x
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		x
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		x
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		x
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		x
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		x
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		x
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		x
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		x
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	x	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Main form area containing questions 1a through 14b with columns for 'Yes' and 'No' and input fields for numerical values.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (governing body members), 1b (independent members), 2 (family/business relationships), 3 (delegation of control), 4 (governing documents), 5 (asset diversion), 6 (members/stockholders), 7a (elect/appoint power), 7b (governance decisions), 8 (documentation), 8a (governing body), 8b (committee), 9 (mailing address).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a (local chapters), 10b (policies/procedures), 11a (copy of form), 11b (review process), 12a (conflict of interest policy), 12b (disclosure of interests), 12c (monitoring/enforcement), 13 (whistleblower policy), 14 (document retention), 15 (compensation review), 15a (CEO/Executive Director), 15b (other officers), 16a (joint venture investment), 16b (written policy for joint ventures).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed: None
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [ ] Own website [ ] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Colonel (Ret) Larry Cooper - (937)258-1218
P.O. Box 33624, Wright Patterson AFB, OH 45433

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Mr. Charles J. Faruki Chairman	5.80	X		X				0.	0.	0.
(2) Lt Gen (Ret) Richard V. Reynold President	11.50	X		X				0.	0.	0.
(3) Mr. Patrick L. McGohan Vice President	0.60	X		X				0.	0.	0.
(4) Maj Gen (Ret) Charles S. Cooper III, Secretary	12.50	X		X				0.	0.	0.
(5) Mr. Jon G. Hazelton Treasurer	0.70	X		X				0.	0.	0.
(6) Gen (Ret) William J. Begert Trustee	1.50	X						0.	0.	0.
(7) The Honorable Claude M. Bolton Trustee	1.00	X						0.	0.	0.
(8) Col (Ret) Mark N. Brown Trustee	0.20	X						0.	0.	0.
(9) Dr. Thomas J. Burns Trustee	0.30	X						0.	0.	0.
(10) Lt Gen (Ret) Charles H. Coolidge Jr., Trustee	1.60	X						0.	0.	0.
(11) Ms. Frances A. Duntz Trustee	0.20	X						0.	0.	0.
(12) Mr. David C. Evans Trustee	0.70	X						0.	0.	0.
(13) Lt Gen (Ret) Lawrence P. Farrell Jr., Trustee	0.10	X						0.	0.	0.
(14) Col (Ret) Michael B. Goetz Trustee	6.70	X						0.	0.	0.
(15) Maj Gen (Ret) E. Ann Harrell Trustee	0.40	X						0.	0.	0.
(16) Col (Ret) William S. Harrell Trustee	6.70	X						0.	0.	0.
(17) Mr. Charles F. Kettering III Trustee	0.20	X						0.	0.	0.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Mr. Gregory G. Lockhart Trustee	1.70	X						0.	0.	0.
(19) Col (Ret) Pamela A. Melroy Trustee	0.40	X						0.	0.	0.
(20) Gen (Ret) T. Michael Moseley Trustee	0.30	X						0.	0.	0.
(21) Mr. Dennis L. Rediker Trustee (end 01/11)	0.10	X						0.	0.	0.
(22) Col (Ret) Susan E. Richardson Jr., Trustee	6.00	X						0.	0.	0.
(23) Gen (Ret) Charles T. Robertson Jr., Trustee	0.50	X						0.	0.	0.
(24) Mr. R. Daniel Sadlier Trustee (end 05/11)	0.30	X						0.	0.	0.
(25) Mr. C. Kevin Scarborough Trustee	0.80	X						0.	0.	0.
(26) Col (Ret) James B. Schepley Trustee	0.20	X						0.	0.	0.
<b>1b Sub-total</b> .....								0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								110,726.	0.	3,065.
<b>d Total (add lines 1b and 1c)</b> .....								110,726.	0.	3,065.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> .....		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> .....		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> .....		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

See Part VII, Section A Continuation sheets





**Part VIII Statement of Revenue**

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>						
	<b>b</b> Membership dues	<b>1b</b>	446,691.					
	<b>c</b> Fundraising events	<b>1c</b>						
	<b>d</b> Related organizations	<b>1d</b>						
	<b>e</b> Government grants (contributions)	<b>1e</b>						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	10,561,414.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		56,499.					
	<b>h Total.</b> Add lines 1a-1f			11,008,105.				
	<b>Program Service Revenue</b>	<b>2 a</b> Theatre Revenue	Business Code 512000		826,495.	826,495.		
<b>b</b> Museum Operations		512000		20,227.	20,227.			
<b>c</b>								
<b>d</b>								
<b>e</b>								
<b>f</b> All other program service revenue								
<b>g Total.</b> Add lines 2a-2f				846,722.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			677,198.			677,198.	
	<b>4</b> Income from investment of tax-exempt bond proceeds							
	<b>5</b> Royalties							
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal					
		<b>b</b> Less: rental expenses						
		<b>c</b> Rental income or (loss)						
		<b>d</b> Net rental income or (loss)						
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		6,089,292.	1,046,015.					
		<b>b</b> Less: cost or other basis and sales expenses			6,263,553.	1,046,015.		
		<b>c</b> Gain or (loss)			-174,261.	0.		
	<b>d</b> Net gain or (loss)			-174,261.			-174,261.	
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>							
	<b>b</b> Less: direct expenses							
	<b>c</b> Net income or (loss) from fundraising events							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>							
	<b>b</b> Less: direct expenses							
	<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>	3,239,482.						
	<b>b</b> Less: cost of goods sold	1,885,735.						
	<b>c</b> Net income or (loss) from sales of inventory			1,353,747.	1,353,747.			
Miscellaneous Revenue			Business Code					
<b>11 a</b> Mail Order Fees	512000			23,709.	23,709.			
<b>b</b> Sponsored Events	512000			3,000.	3,000.			
<b>c</b> Locker Fees	512000			1,774.	1,774.			
<b>d</b> All other revenue	512000			954.	954.			
<b>e Total.</b> Add lines 11a-11d				29,437.				
<b>12 Total revenue.</b> See instructions.				13,740,948.	2,229,906.	0.	502,937.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	11,614.	11,614.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	121,430.	60,716.	48,572.	12,142.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	971,107.	640,382.	46,257.	284,468.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	20,690.	16,272.		4,418.
9 Other employee benefits	26,393.	19,961.	11.	6,421.
10 Payroll taxes	92,882.	63,167.	6,512.	23,203.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	19,500.		19,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	82,815.		82,815.	
g Other	44,844.		44,844.	
12 Advertising and promotion	130,184.	62,904.		67,280.
13 Office expenses	184,693.	124,448.	7,223.	53,022.
14 Information technology	69,053.	22,587.	38,942.	7,524.
15 Royalties				
16 Occupancy				
17 Travel	5,375.			5,375.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	34,947.	17,916.	17,031.	
23 Insurance	28,985.	21,235.	7,750.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Theatre Operations	186,089.	186,089.		
b Service Contracts	129,620.	97,435.	4,706.	27,479.
c Museum Operations	89,516.	89,516.		
d Printing	47,079.			47,079.
e All other expenses	77,606.	40,916.	16,304.	20,386.
25 Total functional expenses. Add lines 1 through 24e	2,374,422.	1,475,158.	340,467.	558,797.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

		(A)		(B)		
		Beginning of year		End of year		
Assets	1	Cash - non-interest-bearing .....	13,265.	1	13,265.	
	2	Savings and temporary cash investments .....	1,750,632.	2	1,169,911.	
	3	Pledges and grants receivable, net .....	5,211,079.	3	13,273,448.	
	4	Accounts receivable, net .....	178,011.	4	203,762.	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5		
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) .....		6		
	7	Notes and loans receivable, net .....		7		
	8	Inventories for sale or use .....	260,519.	8	329,685.	
	9	Prepaid expenses and deferred charges .....	80,596.	9	88,076.	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a	1,226,714.		
	b	Less: accumulated depreciation .....	10b	1,137,099.		
				94,107.	10c	89,615.
	11	Investments - publicly traded securities .....	21,964,624.	11	25,524,519.	
	12	Investments - other securities. See Part IV, line 11 .....		12		
	13	Investments - program-related. See Part IV, line 11 .....		13		
	14	Intangible assets .....		14		
15	Other assets. See Part IV, line 11 .....	27,724.	15			
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	29,580,557.	16	40,692,281.		
Liabilities	17	Accounts payable and accrued expenses .....	64,445.	17	88,349.	
	18	Grants payable .....		18		
	19	Deferred revenue .....	69,000.	19	56,300.	
	20	Tax-exempt bond liabilities .....		20		
	21	Escrow or custodial account liability. Complete Part IV of Schedule D .....		21		
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22		
	23	Secured mortgages and notes payable to unrelated third parties .....		23		
	24	Unsecured notes and loans payable to unrelated third parties .....		24		
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		25		
	26	<b>Total liabilities.</b> Add lines 17 through 25 .....	133,445.	26	144,649.	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets .....	18,868,686.	27	19,571,417.	
	28	Temporarily restricted net assets .....	10,578,426.	28	20,976,215.	
	29	Permanently restricted net assets .....		29		
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	30	Capital stock or trust principal, or current funds .....		30		
	31	Paid-in or capital surplus, or land, building, or equipment fund .....		31		
	32	Retained earnings, endowment, accumulated income, or other funds .....		32		
	33	<b>Total net assets or fund balances</b> .....	29,447,112.	33	40,547,632.	
34	<b>Total liabilities and net assets/fund balances</b> .....	29,580,557.	34	40,692,281.		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	13,740,948.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,374,422.
3	Revenue less expenses. Subtract line 2 from line 1	3	11,366,526.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	29,447,112.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-266,006.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	40,547,632.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		x
b	Were the organization's financial statements audited by an independent accountant?	x	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	x	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		x
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2011)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

The Air Force Museum Foundation, Inc.

Employer identification number

31-0668800

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f  If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box \_\_\_\_\_
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ..... <b>11g(i)</b>		
(ii) A family member of a person described in (i) above? ..... <b>11g(ii)</b>		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? ..... <b>11g(iii)</b>		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	707,011.	718,287.	1,845,468.	6,459,027.	2,134,149.	11,863,942.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	707,011.	718,287.	1,845,468.	6,459,027.	2,134,149.	11,863,942.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						6,096,507.
<b>6 Public support.</b> Subtract line 5 from line 4.						5,767,435.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4 .....	707,011.	718,287.	1,845,468.	6,459,027.	2,134,149.	11,863,942.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	662,489.	745,409.	739,208.	703,909.	677,198.	3,528,213.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....	20,297.	17,620.	18,569.	22,586.	29,437.	108,509.
<b>11 Total support.</b> Add lines 7 through 10 .....						15,500,664.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	37.21	%
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 .....	<b>15</b>	38.20	%
<b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input checked="" type="checkbox"/>
<b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....			<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule A, Part II, Line 10, Explanation for Other Income:

Mail Order Fees

Locker Rental & Other

Theatre Concessions & Other

Sponsored Events

General Fund Other

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2011**

Name of the organization

Employer identification number

The Air Force Museum Foundation, Inc.

31-0668800

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. .... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization <b>The Air Force Museum Foundation, Inc.</b>	Employer identification number <b>31-0668800</b>
--	---

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 8,873,956.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 985,246.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

The Air Force Museum Foundation, Inc.

31-0668800

**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization  The Air Force Museum Foundation, Inc.	Employer identification number  31-0668800
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**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

# Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

The Air Force Museum Foundation, Inc.

Employer identification number

31-0668800

## Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

## Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes       No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes       No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

## Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 .....
- ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X .....
- ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 .....
- ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X .....
- ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		1,170,755.	1,099,832.	70,923.
e Other		55,959.	37,267.	18,692.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				89,615.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) .....		
(B) .....		
(C) .....		
(D) .....		
(E) .....		
(F) .....		
(G) .....		
(H) .....		
(I) .....		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) .....		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
(10) .....		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) .....	
(2) .....	
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
(10) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
(10) .....		
(11) .....		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶		

**2.** FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).



**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	13,740,948.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,374,422.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	11,366,526.
4	Net unrealized gains (losses) on investments	4	-266,006.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	-266,006.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	11,100,520.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	4,525,771.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	1,153,195.
e	Add lines 2a through 2d	2e	1,153,195.
3	Subtract line 2e from line 1	3	3,372,576.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	82,815.
b	Other (Describe in Part XIV.)	4b	10,285,557.
c	Add lines 4a and 4b	4c	10,368,372.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	13,740,948.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	3,433,188.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	1,153,195.
e	Add lines 2a through 2d	2e	1,153,195.
3	Subtract line 2e from line 1	3	2,279,993.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	82,815.
b	Other (Describe in Part XIV.)	4b	11,614.
c	Add lines 4a and 4b	4c	94,429.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	2,374,422.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part XII, Line 2d - Other Adjustments:**

Souvenir COGS	1,126,097.
Rest In-House	27,098.
<b>Total to Schedule D, Part XII, Line 2d</b>	<b>1,153,195.</b>

**Part XII, Line 4b - Other Adjustments:**

Change Restricted Assets	10,397,789.
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**Part XIV** Supplemental Information (continued)

Transfer from Unrestricted -112,232.

Total to Schedule D, Part XII, Line 4b 10,285,557.

Part XIII, Line 2d - Other Adjustments:

Souvenir COGS 1,126,097.

Rest In-House 27,098.

Total to Schedule D, Part XIII, Line 2d 1,153,195.

Part XIII, Line 4b - Other Adjustments:

Donation to USAF 11,614.



**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Schedule I, Part I, Line 2: The National Museum of the United States Air Force is the sole beneficiary of funds raised by The Air Force Museum Foundation. Most grants are related to large capital expansion projects and are made periodically as sufficient funds become available for the project. Funds are transferred to the Air Force Gift Fund which is utilized to finance the effort. Capital construction is managed for the Air Force by the US Army Corps of Engineers.

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

Name of the organization **The Air Force Museum Foundation, Inc.** Employer identification number **31-0668800**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art .....	X	163	3,260.	Selling Price/Mgmt Revie
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....	X		44,215.	Selling Price/Mgmt Revie
5 Clothing and household goods .....				
6 Cars and other vehicles .....				
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....				
10 Securities - Closely held stock .....				
11 Securities - Partnership, LLC, or trust interests .....				
12 Securities - Miscellaneous .....				
13 Qualified conservation contribution - Historic structures .....				
14 Qualified conservation contribution - Other .....				
15 Real estate - Residential .....				
16 Real estate - Commercial .....				
17 Real estate - Other .....				
18 Collectibles .....				
19 Food inventory .....				
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( Display Model )	X	40	5,400.	Selling Price/Mgmt R
26 Other ▶ ( Photos )	X	130	3,624.	Selling Price/Mgmt R
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement ..... **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? .....		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? .....	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2011)

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Schedule M, Part I, Column (b): The numbers reported in this column

represent the number of items contributed.

Lined area for supplemental information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

The Air Force Museum Foundation, Inc.

Employer identification number

31-0668800

Form 990, Part III, Line 1, Description of Organization Mission:

important era and notable achievements of the Air Force.

Form 990, Part III, Line 4c, Program Service Accomplishments:

2008 to raise the remaining funds. Therefore, when the additional funds

are available, they will be proffered to the Air Force Gift Fund. The

construction will be managed by the US Army Corps of Engineers.

Form 990, Part VI, Section A, line 2: Maj Gen (Ret) E. Ann Harrell and

Col (Ret) William S. Harrell have a family relationship.

Form 990, Part VI, Section B, line 11: A copy of the draft Audited

Financial Statements and the Form 990 were provided to all members of the

Board of Managers for their review and comment prior to the annual meeting

on May 7, 2012. The independent auditor meets formally with the members of

the Audit & Risk Committee including the Treasurer who review the Audited

Financial Statements in detail as well as the governance details of the

Form 990. The independent auditor presented a summary of the Audited

Financial Statements to the full Board and answered any questions relating

to the Form 990. The Form 990 was approved by unanimous consent of the

Board of Managers on May 7, 2012.

Form 990, Part VI, Section B, Line 12c: The Foundation Executive Office

queries each member of the Board of Managers annually on matters relating

to 'conflict of interest'. Each member is required to disclose any

information involving family, other organizations or business relationships

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization The Air Force Museum Foundation, Inc.	Employer identification number 31-0668800
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that might be construed as a conflict of interest with their membership on  
and/or duties of the Board of Managers. Members are required to certify in  
writing that all information which might be relevant has been disclosed.

The surveys are reviewed by the Executive Committee of the Board for  
compliance. Any potential conflicts are resolved by contact between the  
Executive Committee and the member involved, if possible. Extended  
investigations, when warranted, will be handled by persons appointed by the  
Executive Committee.

Form 990, Part VI, Section B, Line 15: The Foundation operates in a  
military facility and reviews the BLS cost of living information, military  
and civilian percentage pay increases and periodically independent pay  
analysis to determine a percentage pay adjustment for all employees,  
including the Executive Secretary. The percentage increase is applied to  
the Foundation pay-grid and minor adjustments applied to any positions  
which warrant such adjustment. The pay increase is presented to the  
Treasurer of the Foundation who coordinates its approval with the Executive  
Committee. The Foundation Board of Managers hired a full-time Chief  
Development Officer (CDO) in November 2008 whose pay and compensation was  
determined in consult with a professional search company. The CDO reports  
directly to the Board of Managers Executive Committee who will review his  
compensation package independently of other Foundation employees.

Form 990, Part VI, Section C, Line 19: The by-laws, financial documents,  
Form 990 and 'conflict of interest' policy are available for review at The  
Air Force Museum Foundation Office upon written request. Specific  
documents may also be made available via electronic transfer or fax when a  
reviewer so requests in writing.



Name of the organization

The Air Force Museum Foundation, Inc.

Employer identification number

31-0668800

Form 990, Part XI, line 5, Changes in Net Assets:

Net unrealized losses on investments: -266,006.