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Return of Private Foundation

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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning _____, and ending _____

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

Name of foundation MORSMAN FAMILY FOUNDATION		A Employer identification number 41-2008689
Number and street (or P O box number if mail is not delivered to street address) 4011 E VALLEY ROAD		Room/suite
City or town, state, and ZIP code DEEPHAVEN, MN 55391		B Telephone number (952) 476-4919
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		C If exemption application is pending, check here ► <input type="checkbox"/> D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 399,748.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books (b) Net investment income (c) Adjusted net income (d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B		
3 Interest on savings and temporary cash investments		
4 Dividends and interest from securities		9,322. 9,322. STATEMENT 1
5a Gross rents		
b Net rental income or (loss)		
6a Net gain or (loss) from sale of assets not on line 10		13,998.
b Gross sales price for all assets on line 6a 285,301.		
7 Capital gain net income (from Part IV, line 2)		13,998.
8 Net short-term capital gain		
9 Income modifications		
10a Gross sales less returns and allowances		
b Less Cost of goods sold		
c Gross profit or (loss)		
11 Other income		
12 Total Add lines 1 through 11		23,320. 23,320.
13 Compensation of officers, directors, trustees, etc		0. 0. 0.
14 Other employee salaries and wages		
15 Pension plans, employee benefits		
16a Legal fees		
b Accounting fees STMT 2		1,100. 0. 1,100.
c Other professional fees STMT 3		4,268. 4,268. 0.
17 Interest		
18 Taxes STMT 4		138. 97. 0.
19 Depreciation and depletion		
20 Occupancy		
21 Travel, conferences, and meetings		
22 Printing and publications		
23 Other expenses STMT 5		666. 641. 25.
24 Total operating and administrative expenses. Add lines 13 through 23		6,172. 5,006. 1,125.
25 Contributions, gifts, grants paid		14,700. 0. 14,700.
26 Total expenses and disbursements. Add lines 24 and 25		20,872. 5,006. 15,825.
27 Subtract line 26 from line 12:		
a Excess of revenue over expenses and disbursements		2,448.
b Net investment income (if negative, enter -0-)		18,314.
c Adjusted net income (if negative, enter -0-)		N/A

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments		12,827.	14,266.
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations	STMT 6	40,261.	30,354.
	b	Investments - corporate stock	STMT 7	298,257.	314,316.
	c	Investments - corporate bonds			
Liabilities	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other		5,143.	
	14	Land, buildings, and equipment: basis ►			
		Less accumulated depreciation ►			
	15	Other assets (describe ►)			
	16	Total assets (to be completed by all filers)		356,488.	358,936.
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Net Assets or Fund Balances	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)		0.	0.
		Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
Net Assets or Fund Balances		Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
		and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds		356,488.	358,936.
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.
	30	Total net assets or fund balances		356,488.	358,936.
	31	Total liabilities and net assets/fund balances		356,488.	358,936.

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	356,488.
2	Enter amount from Part I, line 27a	2	2,448.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	358,936.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	358,936.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES			P		
b CAPITAL GAINS DIVIDENDS					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a 285,279.		271,303.	13,976.		
b 22.			22.		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			13,976.		
b			22.		
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	13,998.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	22,084.	323,962.	.068168
2008	24,435.	417,837.	.058480
2007	22,809.	495,307.	.046050
2006	20,830.	477,640.	.043610
2005	22,409.	411,632.	.054439

2 Total of line 1, column (d)	2	.270747
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	.054149
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	365,644.
5 Multiply line 4 by line 3	5	19,799.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	183.
7 Add lines 5 and 6	7	19,982.
8 Enter qualifying distributions from Part XII, line 4	8	15,825.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	366.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b			
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
3	Add lines 1 and 2	2	0.	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	366.	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0.	
6	Credits/Payments:	5	366.	
a	2010 estimated tax payments and 2009 overpayment credited to 2010	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	0.	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	366.	
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 2011 estimated tax ►	11		
			Refunded ►	

Part VII-A | Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>	X	
1c	Did the foundation file Form 1120-POL for this year?	X	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ 0. (2) On foundation managers. ► \$ _____ 0.		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____ 0.		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	X	
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	X	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
MN			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	X	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	X	

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 **X**

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 **X**

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13 **X**

14 The books are in care of ► **EDGAR MORSMAN JR** Telephone no. ► **(952) 476-4919**
Located at ► **4011 E VALLEY RD, DEEPHAVEN, MN** ZIP+4 ► **55391**

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** ► **N/A** ►

16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ► **16** Yes No **X**

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes <input type="checkbox"/> X No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes <input type="checkbox"/> X No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes <input type="checkbox"/> X No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes <input type="checkbox"/> X No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes <input type="checkbox"/> X No		
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) Yes <input type="checkbox"/> X No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? N/A ► 1b		
Organizations relying on a current notice regarding disaster assistance check here		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? 1c X		
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? Yes <input type="checkbox"/> X No		
If "Yes," list the years ► _____, _____, _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A 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. ► _____, _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes <input type="checkbox"/> X No		
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A 3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X		
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? 4b X		

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
 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)?

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

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?

If "Yes" to 6b, file Form 8870

 Yes No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

►

0

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

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

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

0

Part IX-A **Summary of Direct Charitable Activities**

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

Expenses

1	N/A	
2		
3		
4		

Part IX-B **Summary of Program-Related Investments**

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

Amount

1	N/A	
2		
3		

All other program-related investments. See instructions.

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Total. Add lines 1 through 3 ►

0.

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	357,638.
b	Average of monthly cash balances	1b	13,574.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	371,212.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	371,212.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,568.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	365,644.
6	Minimum investment return. Enter 5% of line 5	6	18,282.

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	18,282.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	366.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	366.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	17,916.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	17,916.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	17,916.

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	15,825.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	15,825.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	15,825.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				17,916.
2 Undistributed income, if any, as of the end of 2010			14,598.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 15,825.			14,598.	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,227.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				16,689.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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)				
<i>a Paid during the year</i>				
SEE STATEMENT 10				
Total			► 3a	14,700.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	9,322.	
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			18	13,998.	
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)		0.		23,320.	0.
13 Total. Add line 12, columns (b), (d), and (e)			13		23,320.
(See worksheet in line 13 instructions to verify calculations.)					

Relationship of Activities to the Accomplishment of Exempt Purposes

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

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

a Transfers from the reporting foundation to a noncharitable exempt organization of:

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

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

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
N/A		

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

14/5/11
Date

PRESIDENT

Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	KIM HUNWARDSEN, CPA			KIM HUNWARDSEN, C	03/31/11
	Firm's name ► EIDE BAILLY LLP 5601 GREEN VALLEY DRIVE, STE 700			Firm's EIN ►	
Firm's address ► MINNEAPOLIS, MN 55437-1145			Phone no. (952) 944-6166		

FORM 990-PF

DIVIDENDS AND INTEREST FROM SECURITIES

STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
WELLS FARGO - CAPITAL GAIN DISTRIBUTION	22.	22.	0.
WELLS FARGO - DIVIDEND INCOME	7,411.	0.	7,411.
WELLS FARGO - INTEREST INCOME	1,911.	0.	1,911.
TOTAL TO FM 990-PF, PART I, LN 4	9,344.	22.	9,322.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	1,100.	0.		1,100.
TO FORM 990-PF, PG 1, LN 16B	1,100.	0.		1,100.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO AGENCY FEES	4,268.	4,268.		0.
TO FORM 990-PF, PG 1, LN 16C	4,268.	4,268.		0.

FORM 990-PF

TAXES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX PAID	41.	0.		0.
FOREIGN TAX	97.	97.		0.
TO FORM 990-PF, PG 1, LN 18	138.	97.		0.

FORM 990-PF

OTHER EXPENSES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ANNUAL MN FILING FEE	25.	0.		25.
MISCELLANEOUS	641.	641.		0.
TO FORM 990-PF, PG 1, LN 23	666.	641.		25.

FORM 990-PF

U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS

STATEMENT 6

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT OBLIGATIONS	X		30,354.	31,987.
TOTAL U.S. GOVERNMENT OBLIGATIONS			30,354.	31,987.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			30,354.	31,987.

FORM 990-PF

CORPORATE STOCK

STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PUBLICLY TRADED SECURITIES	314,316.	353,495.
TOTAL TO FORM 990-PF, PART II, LINE 10B	314,316.	353,495.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
EDGAR M. MORSMAN, JR. 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	PRESIDENT/SECRETARY/TREASU 0.25	0.	0.	0.
ELIZABETH H. MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	VICE PRESIDENT 0.25	0.	0.	0.
JEFFREY H. MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	VICE PRESIDENT 0.25	0.	0.	0.
AMY S. MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	DIRECTOR 0.25	0.	0.	0.
JAMES C. MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	DIRECTOR 0.25	0.	0.	0.
TIMOTHY E. MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	DIRECTOR 0.25	0.	0.	0.
ANGELA PEYTON MORSMAN 4011 EAST VALLEY ROAD DEEPHAVEN, MN 55391	DIRECTOR 0.25	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

EDGAR M. MORSMAN, JR.
ELIZABETH H. MORSMAN

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BRADFORD BRINTON MEMORIAL AND MUSEUM PO BOX 460 BIG HORN, WY 82833	NONE ART AND HISTORICAL MUSEUM	PUBLIC CHARITY	500.
COLORADO ENVIRONMENTAL COALITION 1536 WYNKOOP, #5C DENVER, CO 80202	NONE GRASS ROOTS VOICE FOR CONSERVATION IN COLORADO	PUBLIC CHARITY	900.
FREEDOM SERVICE DOGS, INC 2000 WEST UNION AVENUE ENGLEWOOD, CO 801105567	NONE RESCUES DOGS FROM SHELTERS, TRAINS THEM TO ASSIST PEOPLE	PUBLIC CHARITY	900.
GLOBAL ACTION PROJECT 4 WEST 37TH STREET, 2ND FLOOR NEW YORK, NY 10018	NONE HELPS DISADVANTAGED YOUTH MAKE DOCUMENTARIES	PUBLIC CHARITY	800.
HABITAT FOR HUMANITY OF METRO DENVER 1500 WEST 12TH AVENUE DENVER, CO 802043410	NONE LOW INCOME HOUSING	PUBLIC CHARITY	600.
JOIN 1436 NE 81ST AVE SUITE 100 PORTLAND, OR 97213	NONE HOMELESS ADVOCACY GROUP	PUBLIC CHARITY	1,000.
MINNESOTA HOOVED ANIMAL RESCUE FOUNDATION PO BOX 47 ZIMMERMAN, MN 55398	NONE RESCUES, REHABILITATES AND PLACES HORSES	PUBLIC CHARITY	800.
MINNESOTA LAND TRUST 2356 UNIVERSITY AVE W, STE 240 ST PAUL, MN 551149924	NONE PROMOTES CONSERVATION EASEMENTS TO PROTECT LAND IN MN	PUBLIC CHARITY	1,000.

MORSMAN FAMILY FOUNDATION

41-2008689

MINNESOTA LANDSCAPE ARBORETUM FOUNDATION 3675 ARBORETUM DRIVE CHASKA, MN 55318	NONE ARBORETUM AND EDUCATIONAL CENTER	PUBLIC CHARITY	1,000.
OPEN DOOR YOUTH GANG ALTERNATIVES 1615 CALIFORNIA SUITE 712 DENVER, CO 80202	NONE WORKS AT GIVING KIDS AN ALTERNATIVES TO GANG MEMBERS	PUBLIC CHARITY	900.
PEOPLE SERVING PEOPLE 614 3RD STREET S. MINNEAPOLIS, MN 554151104	NONE HOMELESS JOBS AND SHELTER PROGRAM	PUBLIC CHARITY	800.
PLATTE FORUM 1610 LITTLE RAVEN ST, STE 135 DENVER, CO 80202	NONE INTRODUCES UNDERSERVED CHILDREN TO ART AND ARTISTS	PUBLIC CHARITY	900.
PORTLAND ART MUSEUM 1219 SW PARK AVENUE PORTLAND, OR 97205	NONE ART MUSEUM	PUBLIC CHARITY	1,100.
RAPTOR EDUCATION GROUP, INC. P.O. BOX 481 ANTIGO, WI 54409	NONE HEALS INJURED BIRDS AND PROVIDES EDUCATION	PUBLIC CHARITY	500.
WE CAN RIDE PO BOX 1102 MINNETONKA, MN 55345	NONE THERAPEUTIC HORSEBACK RIDING FOR DISABLED CHILDREN & ADULTS	PUBLIC CHARITY	800.
WYOMING WILDERNESS ASSOCIATION PO BOX 6588 SHERIDAN, WY 82801	NONE WILDERNESS PRESERVATION - ROCK CREEK	PUBLIC CHARITY	2,200.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			14,700.



MOBBSMAN FAMILY FOUNDATION

Wells Advisor®

WELLS FARGO INVESTMENTS

C Activity Summary

Total Asset Value as of November 30, 2010	\$382,738.23
Cash/Cash Sweep/Money Mkt Fds Activity for December	
Closing Balance as of 11/30/2010	
Income	12,992.77
Other	1,252.28
	20.59
Closing Balance as of 12/31/2010	\$14,265.64

\$ Additional Information Current Period Year to Date

Foreign Taxes Withheld	(\$9.70)	(\$29.10)
Realized Gains	30.29	50,764.64
Realized Losses	0.00	(36,788.74)

Important Information About Your Account

Yannick Bouchard, Accountant | Walle Earthy Adv | score

As part of the consolidation of our brokerage businesses, you will receive two separate statements for January. Your closing statement from Wells Fargo Investments will show account activity from January 1, 2011, through the mid-January system conversion date, including the transfer of assets from your account to a new account with our affiliate, Wells Fargo Advisors. Your opening statement from Wells Fargo Advisors will show the transfer assets into your new account and activity for the remainder of January.

2010 Tax Reporting

You will receive IRS Form 1099 from Wells Fargo Advisors for all 2010 brokerage activity. IRS Form 1099R for retirement accounts will mail on January 31, 2011. Form 1099 malls in February.

Portfolio Value

CASH, CASH SWEEPS & MONEY MARKETS

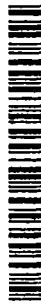
Quantity	Description	Transaction Total	Market Price	Market Value	Estimate Am Incc
	CASH BALANCE			\$97.02	

Portfolio Value

CASH, CASH SWEEP, MONEY MARKETS

Quantity	Description	Transaction Total	Market Price	Market Value	Estimate Am Incc
	CASH BALANCE			\$97.02	

888



WellsAdvisor®

WELLS
FARGO
INVESTMENTS

MORSMAN FAMILY FOUNDATION

Account number: W88752850
Financial Consultant: ANNE GANDRUD
Phone Number: (612) 667-0120

Portfolio Value (continued)

STOCKS (continued)

88.7%									
Quantity	Description	Symbol	Transaction Date	Transaction Price	Transaction Total	Market Price	Long/Short	Market Value	Gain/(Loss)
109	ACCENTURE PLC IRELAND CLASS A NEW	ACN	04/16/10	43.1174	4,699.80	48.49	Long	5,285.41	585.61 ST
86	AFLAC INC	AFL	04/16/10	54.45	4,682.70	56.43	Long	4,852.98	170.28 ST
62	AMR PRODUCTS & CHEMICALS INC	APD	04/16/10	76.22	4,725.64	90.95	Long	5,638.90	913.26 ST
154	ANALOG DEVICES INC	ADI	04/16/10	30.53	4,701.62	37.67	Long	5,801.18	1,089.56 ST
111	APTARGROUP INC	ATR	04/16/10	42.4895	4,716.33	47.57	Long	5,280.27	563.94 ST
103	AT&T INC	T	04/16/10	25.97	2,674.91	29.38	Long	3,026.14	351.23 ST
77			04/19/10	26.19	2,016.63	29.38	Long	2,262.26	245.63 ST
13			05/26/10	24.35	316.55	29.38	Long	38.94	65.39 ST
183	T Total			Average Per Share	\$25.84	\$5,008.09		\$5,670.34	\$862.25
									\$31
106	AUTOMATIC DATA PROCESSING INC	ADP	04/16/10	44.2973	4,695.51	46.28	Long	4,905.68	210.17 ST
80	BAXTER INTERNATIONAL INC	BAX	04/16/10	59.07	4,725.60	50.62	Long	4,049.60	(676.00) ST
50	BECTON DICKINSON & COMPANY	BDX	05/20/08	83.98	4,199.00	84.52	Long	4,226.00	27.00 LT
10			04/16/10	77.90	779.00	84.52	Long	845.20	66.20 ST
5			05/26/10	71.68	358.40	84.52	Long	422.60	64.20 ST
65	BDX Total			Average Per Share	\$82.09	\$5,338.40		\$5,493.80	\$157.40
									\$106
252	BROWN & BROWN INC	BRO	04/16/10	18.6699	4,704.81	23.94	Long	6,032.88	1,328.07 ST
80	BROWN-FORMAN CORP CL B	BF/B	04/16/10	58.64	4,691.20	69.62	Long	5,569.60	878.40 ST
59	CHEVRON CORP	CIVX	12/01/03	37.8749	2,234.62	91.25	Long	5,383.75	3,149.13 LT
73	CLOROX COMPANY	CLX	04/16/10	64.44	4,704.12	63.28	Long	4,619.44	(84.68) ST
56	COLGATE-PALMOLIVE COMPANY	CL	04/16/10	84.15	4,712.40	80.37	Long	4,500.72	(211.68) ST
121	COMMERCE BANCSHARES INC	CBSH	04/16/10	38.6659	4,709.51	39.73	Long	4,807.33	97.82 ST
84	CONOCOPHILLIPS	COP	04/16/10	56.20	4,720.80	68.10	Long	5,720.40	999.60 ST
9			05/26/10	50.43	453.87	68.10	Long	612.90	159.03 ST
83	COP Total			Average Per Share	\$55.64	\$5,174.67		\$6,333.30	\$1,158.63
									\$203
115	CORPORATE OFFICE PROPERTIES TRUST	OFC	04/16/10	41.0499	4,720.74	34.95	Long	4,019.25	(701.49) ST
									189

Portfolio Value (continued)

Stocks (continued)

Quantity	Description	Symbol	Transaction Date	Transaction Price	Transaction Total	Market Price	Long/Short	Market Value	Estimated Annual Income
75	COSTCO WHOLESALE CORP	COST	04/09/09	46.84	\$3,513.00	72.21	Long	5,415.75	1,902.75 LT
4			04/16/10	59.34	237.36	72.21	Long	288.84	51.48 ST
79	COST Total			Average Per Share	\$47.47	\$3,750.36		\$5,704.59	\$1,954.23
									\$64
135	EATON VANCE CORP	EV	04/16/10	34.698	4,684.23	30.23	Long	4,081.05	(603.16) ST
104	ECOLAB INC	ECL	04/16/10	45.2074	4,701.57	50.42	Long	5,243.68	542.11 ST
91	EMERSON ELECTRIC COMPANY	EMR	04/16/10	51.78	4,711.98	57.17	Long	5,202.47	490.49 ST
97	ENERGEN CORP	EGN	04/16/10	48.12	4,667.64	48.26	Long	4,681.22	13.58 ST
69	EXXON MOBIL CORP	XOM	07/03/01	43.59	3,007.71	73.12	Long	5,045.28	2,037.57 LT
62	FACTSET RESEARCH SYSTEMS INC	FDS	04/16/10	74.86	4,641.32	93.76	Long	5,813.12	1,171.80 ST
62	GENERAL DYNAMICS CORP COMMON	GD	04/16/10	76.00	4,712.00	70.96	Long	4,399.52	(312.48) ST
134	GENERAL MILLS INC	GIS	02/14/02	23.295	3,121.53	35.59	Long	4,769.06	1,647.53 LT
44	GRAINGER W W INC	GWW	04/16/10	105.08	4,623.52	138.11	Long	6,076.84	1,453.32 ST
95	HARRIS CORP DEL	HRS	04/16/10	49.36	4,689.20	45.30	Long	4,303.50	(385.70) ST
189	HENRY JACK & ASSOC INC	JKHY	04/16/10	24.8988	4,706.06	29.15	Long	5,509.35	803.29 ST
96	ILLINOIS TOOL WORKS INC	ITW	04/16/10	48.96	4,700.16	53.40	Long	5,126.40	426.24 ST
6			05/26/10	45.89	275.34	53.40	Long	320.40	45.06 ST
102	ITW Total			Average Per Share	\$48.77	\$4,975.50		\$5,446.80	\$471.30
									\$138
200	INTEL CORP	INTC	07/03/01	30.49	6,098.00	21.03	Long	4,206.00	(1,892.00) LT
23			05/26/10	21.26	488.88	21.03	Long	483.69	(5.29) ST
223	INTC Total			Average Per Share	\$29.53	\$6,586.88		\$4,689.69	(\$1,897.28)
									\$140
36	INTERNATIONAL BUSINESS MACHINES CORP	IBM	04/16/10	130.86	4,710.96	146.76	Long	5,283.36	572.40 ST
23	JOHNSON & JOHNSON	JNJ	07/03/01	51.05	1,174.15	61.85	Long	1,422.55	248.40 LT
50			12/01/03	49.55	2,477.50	61.85	Long	3,092.50	615.00 LT
73	JNJ Total			Average Per Share	\$50.02	\$3,851.85		\$4,515.05	\$863.40
									\$157
143	JOHNSON CONTROLS INC	JCI	04/16/10	32.9873	4,717.18	38.20	Long	5,462.60	745.42 ST
23			05/26/10	28.30	650.90	38.20	Long	878.60	227.70 ST
166	JCI Total			Average Per Share	\$32.33	\$5,368.08		\$6,341.20	\$873.12
									\$105
87	KELLOGG COMPANY	K	04/16/10	53.89	4,688.43	51.08	Long	4,443.96	(244.47) ST
76	KIMBERLY CLARK CORP	KMB	04/16/10	61.91	4,705.16	63.04	Long	4,791.04	85.88 ST
									200



 Portfolio Value (continued)

 STOCKS (continued)

Quantity	Description	Symbol	Transaction Date	Transaction Price	Transaction Total	Market Price	Long/Short	Market Value	Gain/(Loss)	Estimated Annual Income
129	LILLY ELI & COMPANY	LLY	04/16/10	36.64	4,728.56	35.04	Long	4,520.16	(206.40)	ST 252
147	MARATHON OIL CORP	MRO	04/16/10	32.1099	4,720.16	37.03	Long	5,443.41	723.25	ST 147
122	MC CORMICK & COMPANY INC NON VOTING	MKC	04/16/10	38.5473	4,702.77	46.53	Long	5,676.66	973.89	ST 136
68	MCDONALDS CORP	MCD	04/16/10	68.80	4,678.40	76.76	Long	5,219.68	541.28	ST 165
113	MDU RESOURCES GROUP INC	MDU	04/21/10	22.12	2,489.56	20.27	Long	2,280.51	(209.05)	ST 73
100			04/21/10	22.11	2,211.00	20.27	Long	2,027.00	(184.00)	ST 65
213	MDU Total			Average Per Share	\$22.11	\$4,710.56		\$4,317.51	(\$393.05)	\$138
89	NATIONAL FUEL GAS COMPANY	NFG	04/16/10	52.62	4,683.18	65.62	Long	5,840.18	1,157.00	ST 122
126	NEW JERSEY RES CORP	NJR	04/19/10	37.2899	4,668.53	43.11	Long	5,431.86	733.33	ST 181
97	NEXTERA ENERGY INC	NEE	04/16/10	48.41	4,685.77	51.99	Long	5,043.03	347.26	ST 194
109	NORDSTROM INC	JWN	04/16/10	42.8896	4,686.96	42.38	Long	4,619.42	(67.54)	ST 87
79	NORFOLK SOUTHERN CORP	NSC	04/16/10	59.54	4,703.66	62.82	Long	4,982.78	259.12	ST 113
171	NORTHEAST UTILITIES NU	NU	04/16/10	27.448	4,693.61	31.88	Long	5,451.48	757.87	ST 175
89	NOVARTIS AG	NVS	10/16/07	53.1073	4,726.55	58.95	Long	5,246.55	520.00	LT 147
17	SPONSORED ADR		05/26/10	44.28	752.76	58.95	Long	1,002.15	249.39	ST 28
106	NVS Total			Average Per Share	\$51.69	\$5,478.31		\$6,248.70	\$760.39	\$175
150	OWENS & MINOR INC HOLDING COMPANY	OMI	04/16/10	31.3699	4,705.49	29.43	Long	4,414.50	(290.98)	ST 106
153	PAYCHEX INC	PAYX	04/16/10	30.825	4,716.23	30.91	Long	4,726.23	13.00	ST 189
72	PEPSICO INC	PEP	07/03/01	45.25	3,258.00	65.33	Long	4,703.76	1,445.76	LT 138
171	PIEDMONT NATURAL GAS COMPANY INC	PNY	04/16/10	27.549	4,710.88	27.96	Long	4,781.16	70.28	ST 191
15			05/26/10	25.22	378.30	27.96	Long	419.40	41.10	ST 16
166	PNY Total			Average Per Share	\$27.36	\$5,088.18		\$5,200.56	\$111.38	\$207
83	POLARIS INDUSTRIES INC	PII	04/16/10	56.15	4,660.45	78.02	Long	6,475.66	1,815.21	ST 132
54	PRAAXAIR INC	PX	04/16/10	87.01	4,688.54	95.47	Long	5,155.38	456.84	ST 97
75	PROCTER & GAMBLE COMPANY PG	PG	03/07/05	53.89	4,041.75	64.33	Long	4,824.75	783.00	LT 144
149	REALTY INCOME CORP	O	04/16/10	31.7299	4,727.76	34.20	Long	5,035.80	368.04	ST 257
77	ROYAL DUTCH SHELL PLC	RDS/A	04/16/10	61.06	4,701.62	66.78	Long	5,142.06	440.44	ST 219
	SPONSORED ADR REPSTG A SHARES									

MORSMAN FAMILY FOUNDATION

Account number: **W89752950**
 Financial Consultant: **ANNE GRANDRUD**
 Phone Number: **(612) 667-0120**

 **Portfolio Value (continued)**

 **Stocks (continued)** **89%**

Quantity	Description	Symbol	Transaction Date	Transaction Price	Transaction Total	Market Price	Long/Short	Market Value	Gain/ (Loss)	Estimated Annual Income
122	SCANA CORP NEW	SCG	04/16/10	38.6998	4,721.38	40.60	Long	4,953.20	231.82 ST	231
84	SIGMA ALDRICH CORP	SIAL	04/16/10	55.71	4,679.64	66.56	Long	5,591.04	911.40 ST	53
76	SMUCKER J.M COMPANY NEW	SJM	04/16/10	62.02	4,713.52	65.65	Long	4,989.40	275.88 ST	121
111	SOUTH JERSEY INDUSTRIES INC	SJI	04/19/10	42.289	4,694.08	52.82	Long	5,863.02	1,168.94 ST	162
159	SYSKO CORP	SYY	04/16/10	28.6198	4,709.55	29.40	Long	4,674.60	(34.95) ST	165
85	TARGET CORP	TGT	07/03/01	35.86	3,048.10	60.13	Long	5,111.05	2,062.95 LT	85
69	UNITED PARCEL SERVICE INC	UPS	04/16/10	68.46	4,723.74	72.58	Long	5,008.02	284.28 ST	129
64	UNITED TECHNOLOGIES CORP	UTX	01/09/02	33.035	2,114.24	78.72	Long	5,038.08	2,923.84 LT	108
57	V F CORP	VFC	04/16/10	82.74	4,716.18	86.18	Long	4,912.26	196.08 ST	143
86	WAL-MART STORES INC	WMT	04/16/10	54.41	4,679.26	53.93	Long	4,637.98	(41.28) ST	104
Stocks Subtotal					\$314,316.23			\$353,494.71	\$39,178.48	\$8,398

 **GOVERNMENT SECURITIES** **8%**

Quantity	Description	CUSIP/ Security No	Transaction Date	Transaction Price	Transaction Total/ Adj Cost Basis	Estimated Market Price	Accrued Interest	Estimated Market Value	Gain/ (Loss)	Estimated Annual Income
10,000	FEDL HOME LOAN BANK BOND B/E	3133MJJUQ1	07/13/05	\$1.0276	\$10,276.20	\$103.868	\$62.29	\$10,396.80	\$110.60	\$487
10,000	FEDL HOME LOAN BANK CPN 4.875% DUE 11/15/11 DTD 11/15/01 FC 05/15/02	3134A4QD9	11/18/05	1.0155	10,155.47	106.909	236.32	10,690.90	535.43	512
10,000	FEDL HOME LOAN MTG CORP REFERENCE NOTE B/E CPN 5.125% DUE 07/15/12 DTD 07/16/02 FC 01/15/03	3133XES91	03/23/06	0.9922	9,922.20	109.088	156.94	10,908.80	986.60	500
30,000	Government Securities Subtotal				\$34,353.87		\$455.55	\$37,886.50	\$1,632.63	\$1,499
			Transaction Total		Total Accrued Interest		Total Market Value		Gain/ (Loss)	Total Estimated Annual Income
			\$358,838.72		\$455.55		\$399,746.85		\$40,811.11	\$10,898

