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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

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
CARLSON MUSIC SCHOLARSHIP FUND

A Employer identification number
48-1276104

Number and street (or P O box number if mail is not delivered to street address) 425 1ST AVENUE NORTH
Room/suite

B Telephone number (see page 10 of the instructions)
(406) 454-6285

City or town, state, and ZIP code
GREAT FALLS, MT 59401

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 666,088

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	41	41		
	4	Dividends and interest from securities	16,770	16,770		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-1,713			
	b	Gross sales price for all assets on line 6a 36,474				
	7	Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)				
	11	Other income (attach schedule)	31	31		
	12	**Total.** Add lines 1 through 11	15,129	16,842		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	6,946	2,315		2,315
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	700			
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	-19	4		
	19	Depreciation (attach schedule) and depletion	0			
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	7,627	2,319		2,315
	25	Contributions, gifts, grants paid	29,000			29,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	36,627	2,319		31,315
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-21,498			
	b	**Net investment income** (if negative, enter -0-)		14,523		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	57,341	41,380	41,380
	3 Accounts receivable ▶ ______ Less allowance for doubtful accounts ▶ ______			
	4 Pledges receivable ▶ ______ Less allowance for doubtful accounts ▶ ______			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ ______ Less allowance for doubtful accounts ▶ ______			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	57,294	57,294	60,714
	b Investments—corporate stock (attach schedule)	162,499	156,655	188,067
	c Investments—corporate bonds (attach schedule)	51,148	231,912	229,149
	11 Investments—land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	279,435	98,919	146,710
	14 Land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
	15 Other assets (describe ▶ ______)	9	68	68
	16 **Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	607,726	586,228	666,088
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ ______)			
	23 **Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds	607,726	586,228	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see page 17 of the instructions)	607,726	586,228	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	607,726	586,228	

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	607,726
2	Enter amount from Part I, line 27a	2	-21,498
3	Other increases not included in line 2 (itemize) ▶ ______	3	
4	Add lines 1, 2, and 3	4	586,228
5	Decreases not included in line 2 (itemize) ▶ ______	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	586,228

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	CAPITAL GAIN DISTRIBUTIONS	P	2000-01-01	2010-01-01
b	COMMON FUNDS	P	2000-01-01	2010-01-01
c	COMMON FUNDS	P	2010-01-01	2010-01-01
d	SEE ATTACHED SCHEDULE	P	2000-01-01	2010-01-01
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	1,713			1,713
b	153			153
c	96			96
d	34,512		38,187	-3,675
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) 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				1,713
b				153
c				96
d				-3,675
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	-1,713
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	96

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	34,897	583,154	0 05984
2008	37,031	656,698	0 05639
2007	35,593	725,215	0 04908
2006	33,009	689,264	0 04789
2005	38,317	674,061	0 05685

2	**Total** of line 1, column (d).	2	0 27005
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 05401
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	621,022
5	Multiply line 4 by line 3.	5	33,541
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	145
7	Add lines 5 and 6.	7	33,686
8	Enter qualifying distributions from Part XII, line 4.	8	31,315

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	290
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3	Add lines 1 and 2		3	290
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	290
6	Credits/Payments			
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	
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	290
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** ▶ 0	**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶MT			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶FIRST INTERSTATE BANK Telephone no ▶(406) 454-6285

Located at ▶425 1ST AVENUE NORTH GREAT FALLS MT ZIP+4 ▶59401

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 |

		Line	Yes	No
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?	16		No

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 ▶

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.		Line	Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?		1b		No
	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		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)		2b		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☑ 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.)*		3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		No

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No

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

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b** **No**

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** **No**

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** **No**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
FIRST INTERSTATE BANK 425 1ST AVENUE NORTH GREAT FALLS, MT 59401	Trustee 5 00	6,946		

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		
Total number of others receiving over $50,000 for professional services . . . . ▶		

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	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

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

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	593,924
b	Average of monthly cash balances	1b	36,555
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	630,479
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	
3	Subtract line 2 from line 1d	3	630,479
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	9,457
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	621,022
6	**Minimum investment return.** Enter 5% of line 5	6	31,051

Part XI **Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	31,051
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 290		
b	Income tax for 2010 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	290
3	Distributable amount before adjustments Subtract line 2c from line 1	3	30,761
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	30,761
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	30,761

Part XII **Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	31,315
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	31,315
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	31,315

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII **Undistributed Income** (see page 26 of the instructions)

	Line 3/10 amounts	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					30,761
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only.					
b Total for prior years 20___, 20___, 20___					
3 Excess distributions carryover, if any, to 2010					
a From 2005.	2,397				
b From 2006.					
c From 2007.	1,048				
d From 2008.	4,584				
e From 2009.	6,119				
f Total of lines 3a through e.		14,148			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 31,315					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .		0			
d Applied to 2010 distributable amount.					30,761
e Remaining amount distributed out of corpus		554			
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		14,702			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		2,397			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		12,305			
10 Analysis of line 9					
a Excess from 2006. . . .					
b Excess from 2007. . . .	1,048				
c Excess from 2008. . . .	4,584				
d Excess from 2009. . . .	6,119				
e Excess from 2010. . . .	554				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling . . . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2010	**(b)** 2009	**(c)** 2008	**(d)** 2007	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

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

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

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

Check here ▶ ☑ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
GREAT FALLS SYMPHONY CIVIC CENTER GREAT FALLS, MT 59401	NONE	N/A	EDUCATIONAL SCHOLARSHIP	2,900
UNIVERSITY OF GREAT FALLS 1301 20th ST S GREAT FALLS, MT 59405	NONE	N/A	EDUCATIONAL SCHOLARSHIP	8,700
MONTANA STATE UNIVERSITY MUSIC DEPT BOZEMAN, MT 59717	NONE	N/A	EDUCATIONAL SCHOLARSHIP	8,700
UNIVERSITY OF MONTANA 32 CAMPUS DRIVE MISSOULA, MT 59812	NONE	N/A	EDUCATIONAL SCHOLARSHIP	8,700
Total . . . . ▶ **3a**				29,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	41	
4 Dividends and interest from securities. . . .			14	16,770	
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	-1,713	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a SECURITIES LITIGATION			18	31	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				15,129	

13 **Total.** Add line 12, columns (b), (d), and (e). 13 15,129

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

			Yes	No
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	**1a(1)**		No
	(2) Other assets	**1a(2)**		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	**1b(1)**		No
	(2) Purchases of assets from a noncharitable exempt organization	**1b(2)**		No
	(3) Rental of facilities, equipment, or other assets	**1b(3)**		No
	(4) Reimbursement arrangements	**1b(4)**		No
	(5) Loans or loan guarantees	**1b(5)**		No
	(6) Performance of services or membership or fundraising solicitations	**1b(6)**		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**1c**		No

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

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule

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

Sign Here

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

****** | 2011-02-19 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's Signature ▶ PG	Date	Check if self-employed ▶ ☐	PTIN
Firm's name ▶	Hamilton Misfeldt & Company PC	Firm's EIN ▶	
	21 10th Street South		
Firm's address ▶	Great Falls, MT 59401	Phone no (406) 727-0888	

TY 2010 Accounting Fees Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCTG - PREPARE FORM 990PF	700	0	0	0

TY 2010 Investments Corporate Bonds Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BOND FUNDS	231,912	229,149

TY 2010 Investments Corporate Stock Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
COMMON STOCK	156,655	188,067

TY 2010 Investments Government Obligations Schedule

Name:	CARLSON MUSIC SCHOLARSHIP FUND
EIN:	48-1276104
Software ID:	10000105
Software Version:	2010v3.2
US Government Securities - End of Year Book Value:	57,294
US Government Securities - End of Year Fair Market Value:	60,714
State & Local Government Securities - End of Year Book Value:	
State & Local Government Securities - End of Year Fair Market Value:	

TY 2010 Investments - Other Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
EQUITY FUNDS	AT COST	98,919	146,710

TY 2010 Other Assets Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
INTEREST RECEIVABLE	9	68	68

TY 2010 Other Income Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
SECURITIES LITIGATION	31	31	

TY 2010 Taxes Schedule

Name: CARLSON MUSIC SCHOLARSHIP FUND

EIN: 48-1276104

Software ID: 10000105

Software Version: 2010v3.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX REFUND - PRIOR ESTIMATE	23			
FOREIGN TAXES	4	4		

Tax Worksheet

(01/01/2010 To 12/31/2010)

Tax ID : 48-1276104
Account Name: Carlson Music Scholarship Fund
Account Number : 32420450
State of Domicile : Montana

Generation Skipping : N/A
Administrator : Brett Weber
Accountant : Hamilton Misfeldt & Company, P.C.
P.O. Box 1605
Great Falls MT 59403

* * Schedule D * *

Shares/PV	Asset Sold	Date Acquired	How Acq	Date Sold	Holding Period	Sales Proceeds	Original Cost	Realized Gain/ Loss
24	Costco Wholesale Corporation	12/18/2002	P	04/09/2010	Long !	1,464.39	670.32	794.07
18	Johnson & Johnson	12/18/2002	P	07/07/2010	Long !	1,087.98	962.10	125.88
70	Medtronic Inc	03/13/2003	P	10/19/2010	Long !	2,336.95	3,062.50	-725.55
89	Microsoft Corporation	12/18/2002	P	06/09/2010	Long !	2,243.65	2,382.08	-138.43
70	Allstate Corporation	11/02/2005	P	02/18/2010	Long	2,168.12	3,866.10	-1,697.98
10	Apple Computer Inc	11/02/2006	P	02/23/2010	Long	1,973.29	789.57	1,183.72
150	AT&T Inc	11/02/2005	P	02/18/2010	Long	3,771.03	3,612.99	158.04
132	Bank of New York Mellon Corp	05/02/2007	P	10/19/2010	Long	3,496.41	5,699.31	-2,202.90
7	Bank of New York Mellon Corp	02/12/2009	P	10/19/2010	Long	185.42	183.64	1.78
30	Danaher Corporation	06/14/2007	P	02/23/2010	Long	2,238.47	2,207.68	30.79
35	General Dynamics Corporation	05/02/2007	P	05/13/2010	Long	2,580.92	2,800.70	-219.78
43	Illinois Tool Works Inc	11/02/2005	P	02/23/2010	Long	1,959.54	1,822.98	136.56
18	McDonalds Corporation	02/14/2008	P	09/13/2010	Long	1,333.06	1,005.57	327.49
25	Smith International Inc	11/02/2005	P	02/18/2010	Long	818.62	847.25	-28.63
50	Smith International Inc	11/14/2008	P	02/18/2010	Long	1,637.23	1,417.41	219.82
43	Southwestern Energy Company	09/02/2009	P	09/13/2010	Long	1,415.08	1,550.18	-135.10
130	Staples Inc	05/02/2007	P	09/13/2010	Long	2,533.61	3,264.30	-730.69
30	State Street Corporation	06/11/2008	P	05/13/2010	Long	1,268.61	2,041.85	-773.24
						34,512.38		-3,674.15
							38,186.53	

! denotes Asset may qualify for Five-Year Gain Rule

How Acquired: F - Free Receipt, B - Beginning Inventory, C - Call, G - Gift,
L - Payment Made (Liability), P - Purchase, R - Reinvestment, S - Spinoff, U - Undetermined

Gain/Loss Summary :

Short Term GL		Long Term GL	
Gains From Sales :	0.00	Gains From Sales :	2,978.15
Losses From Sales :	0.00	Losses From Sales :	-6,652.30
Common Funds :	95.64	Common Funds :	152.57
Short Term Gains :	95.64	Long Term Gain :	3,130.72
Short Term Losses :	0.00	Long Term Losses :	-6,652.30
Net Short Term G/L:	95.64	Net Long Term G/L :	-3,521.58
Capital Gain Dist :	467.18	Capital Gain Dist :	1,712.72

ɅAccount Holdings As Of

iltered By Account = 32420450.Carlson Music Scholarship Fund
orted By : Account Number

48-1276104

ɅDate Run . 01/05/2010 Time Printed 1 35:40 PM

Account Name : Carlson Music Scholarship Fund **As Of : 12/31/2009** **Account Number : 32420450**

Shares	Asset Description		Cost	Market	Unr Gain Loss	Est Ann Income	Yield
		Prices As Of : 12/31/2009					
	Taxable Money Market Funds						
54,286.18	Goldman Sachs Financial Square Prime .18%		54,286.18	54,286 18	0.00	59 71	0.11%
3,055.09 *	Goldman Sachs Financial Square Prime .18%		3,055.09	3,055.09	0.00	3.36	0.11%
	Sub Total	$	**57,341.27**	**57,341.27**	**0.00**	**63.07**	**0.11%**
	Government Bond Funds						
2,875.132	Vanguard Inflation Protected Fund #119		34,000.00	36,082.91	2,082.91	615.28	1.71%
	Sub Total	$	**34,000.00**	**36,082.91**	**2,082.91**	**615.28**	**1.71%**
	Mortgage Security Bond Funds						
2,172.94	Vanguard GNMA Fund 36		23,293.92	23,120.08	-173.84	930.56	4.02%
	Sub Total	$	**23,293.92**	**23,120.08**	**-173.84**	**930.56**	**4.02%**
	Bond Mutual Funds						
3,895.815	Dodge & Cox Income Fund		51,147 51	50,489.76	-657.75	2,637.47	5.22%
	Sub Total	$	**51,147.51**	**50,489.76**	**-657.75**	**2,637.47**	**5.22%**
	Common Stock						
80	Abbott Laboratories		4,560.00	4,319.20	-240.80	128.00	2.96%
50	Air Products & Chemicals		3,847.00	4,053 00	206.00	90.00	2.22%
250	Alcoa Inc		5,870.00	4,030.00	-1,840.00	30.00	0.74%
70	Allstate Corporation		3,866.10	2,102.80	-1,763.30	56.00	2.66%
30	Apple Computer Inc		2,368.70	6,321 96	3,953.26	0.00	0.00%
150	AT&T Inc		3,612.99	4,204 50	591.51	252.00	5.99%
200	Automatic Data Processing Inc		7,190 03	8,564.00	1,373.97	272.00	3.18%
179	Bank America Corporation		2,618.93	2,695.74	76.81	7.16	0.27%
139	Bank of New York Mellon Corp		5,882.95	3,887.83	-1,995.12	50 04	1.29%
30	BHP Billiton Limited ADR		2,428.56	2,297.40	-131.16	49.20	2.14%
72	Caterpillar Inc		4,088.45	4,103.28	14.83	120.96	2.95%
55	Chevron Corp		4,326.85	4,234 45	-92.40	149.60	3.53%
170	Cisco Systems Inc		2,274.60	4,069.80	1,795.20	0.00	0.00%

Account Holdings As Of

Filtered By . Account = 32420450 Carlson Music Scholarship Fund
Sorted By Account Number

48-1276104

Date Run . 01/05/2010 Time Printed . 1:35:40 PM

Account Name : Carlson Music Scholarship Fund **As Of : 12/31/2009** **Account Number : 32420450**

Prices As Of : 12/31/2009

Shares	Asset Description	Cost	Market	Unr Gain Loss	Est Ann Income	Yield
70	Costco Wholesale Corporation	2,791.26	4,141.90	1,350.64	50.40	1.22%
65	Danaher Corporation	4,783.30	4,888 00	104.70	10.40	0.21%
88	Disney Walt Co Holdings	1,814.42	2,838.00	1,023.58	30.80	1.09%
260	EMC Corporation	3,576.25	4,542.20	965.95	0.00	0.00%
90	Emerson Electric Company	4,366.79	3,834.00	-532.79	120.60	3.15%
46	Exelon Corporation	2,454.63	2,248.02	-206.61	96.60	4.30%
90	Exxon Mobil Corporation	6,753.45	6,137.10	-616.35	151.20	2 46%
53	FPL Group Inc	2,630.15	2,799.46	169.31	100.17	3.58%
35	General Dynamics Corporation	2,800.70	2,385.95	-414.75	53.20	2.23%
130	General Electric Company	3,247.40	1,966.90	-1,280.50	52.00	2.64%
85	Illinois Tool Works Inc	3,603.57	4,079.15	475.58	105.40	2.58%
155	Intel Corporation	3,417.75	3,162.00	-255.75	86.80	2.75%
75	Johnson & Johnson	4,008.75	4,830.75	822.00	147.00	3 04%
112	JP Morgan Chase & Company	4,345.02	4,667 04	322.02	22 40	0.48%
75	Kraft Foods Inc	2,536.22	2,038 50	-497.72	87.00	4 27%
110	Lowes Cos Inc	2,110.87	2,572 90	462.03	39.60	1 54%
80	McDonalds Corporation	4,493.36	4,995.20	501.84	176.00	3.52%
70	Medtronic Inc	3,062.50	3,078.60	16.10	57.40	1.86%
45	Metlife Inc	2,684.49	1,590.75	-1,093.74	33.30	2.09%
89	Microsoft Corporation	2,382.08	2,712.72	330.64	46.28	1.71%
77	Northern Trust Corporation	4,081.18	4,034.80	-46.38	86.24	2.14%
164	Oracle Corporation	3,113.22	4,022.92	909.70	32.80	0.82%
53	Peabody Energy Corporation	1,473.05	2,396.13	923.08	14.84	0.62%
130	Pepsico Inc	5,031.00	7,904.00	2,873.00	234.00	2.96%
57	Procter & Gamble Company	2,366.07	3,455.91	1,089.84	100.32	2.90%
65	Schlumberger Limited	3,193.17	4,230.85	1,037.68	54.60	1.29%
75	Smith International Inc	2,264.66	2,037.75	-226.91	36.00	1.77%
43	Southwestern Energy Company	1,550.18	2,072.60	522.42	0.00	0.00%
130	Staples Inc	3,264.30	3,196.70	-67.60	42.90	1.34%
30	State Street Corporation	2,041.85	1,306.20	-735.65	1.20	0.09%

Account Holdings As Of

Filtered By . Account = 32420450 Carlson Music Scholarship Fund
Sorted By : Account Number

48-127604

Date Run 01/05/2010

Time Printed : 1:35:40 PM

Account Name : Carlson Music Scholarship Fund **As Of : 12/31/2009** **Account Number : 32420450**

Shares	Asset Description		Cost	Market	Unr Gain Loss	Est Ann Income	Yield
		Prices As Of : 12/31/2009					
63	Target Corporation		3,604.91	3,047.31	-557.60	42.84	1.41%
150	U S Bancorp Del		4,782.36	3,376.50	-1,405.86	30.00	0.89%
50	United Technologies Corporation		1,297.50	3,470.50	2,173.00	77.00	2.22%
30	Wal-Mart Stores Inc		1,794.85	1,603.50	-191.35	32 70	2.04%
	Sub Total	$	**160,656.42**	**170,548.77**	**9,892.35**	**3,456.95**	**2.03%**
Foreign Common Stock							
40	Teva Pharmaceutical Industries Limited ADR		1,842.97	2,247.20	404.23	19.30	0.86%
	Sub Total	$	**1,842.97**	**2,247.20**	**404.23**	**19.30**	**0.86%**
US Small & Mid Cap Equity Fund							
1,529.923	Oppenheimer Main St Small Cap Fd-Y		30,000.00	26,620.66	-3,379.34	127.44	0.48%
697.066	T Rowe Price Mid Cap Growth Fund		25,846.44	33,103.66	7,257.22	0.00	0.00%
	Sub Total	$	**55,846.44**	**59,724.32**	**3,877.88**	**127.44**	**0.21%**
US Large Cap Equity Funds							
34 461	Vanguard Index Trust Fund 500 PT (40)		3,900.00	3,538.11	-361.89	72.51	2.05%
	Sub Total	$	**3,900.00**	**3,538.11**	**-361.89**	**72.51**	**2.05%**
International Equity Funds							
620.034	American Europacific Growth Fund - F1		14,172.07	23,654.30	9,482.23	392.30	1.66%
720.149	Harbor International Fund		25,000.00	39,514.58	14,514.58	507.59	1.28%
	Sub Total	$	**39,172.07**	**63,168.88**	**23,996.81**	**899.89**	**1.42%**
Common Funds/Fixed							
16,834.87	Core Fixed Income Fund		180,516.49	177,271.18	-3,245.31	6,919.03	3.90%
	Sub Total	$	**180,516.49**	**177,271.18**	**-3,245.31**	**6,919.03**	**3.90%**
	Grand Total	Interest Rec. $	**607,717.09** 900	**643,532.48** 900	**35,815.39**	**15,741.50**	**2.45%**
Principal Cash: **0.00**		***Income Cash:***	**3,055.09** 607,726	643,541	***Invested Income:*** **-3,055.09**		

Account Name : Carlson Music Scholarship Fund   48-1276104   Account No : 32420450

Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
	Taxable Money Market Funds						
25,369.11	Goldman Sachs Financial Square Prime 13%	25,369 11	100 00	25,369.11	32.98	0 13%	3 81%
16,011 17	* Goldman Sachs Financial Square Prime 13%	16,011 17	100.00	16,011 17	20 81	0.13%	2.40%
	Totals	**41,380.28**		**41,380.28**	**53.79**	**0.13%**	**6.21%**
	Tsy Inflation Prot Sec Funds						
2,875 132	Vanguard Inflation Protected Fund #119	34,000 00	13 00	37,376 72	911.42	2 44%	5.61%
	Totals	**34,000.00**		**37,376.72**	**911.42**	**2.44%**	**5.61%**
	Mortgage Security Bond Funds						
2,172 94	Vanguard GNMA Fund 36	23,293 92	10 74	23,337 38	770 22	3 30%	3 50%
	Totals	**23,293.92**		**23,337.38**	**770.22**	**3.30%**	**3.50%**
	Bond Mutual Funds						
3,895 815	Dodge & Cox Income Fund	51,147 51	13 23	51,541 63	2,512 80	4 88%	7 74%
	Totals	**51,147.51**		**51,541.63**	**2,512.80**	**4.88%**	**7.74%**
	Common Funds/Fixed						
16,834 87	Core Fixed Income Fund	180,764 70	10 55	177,607.88	7,156.01	4.03%	26.67%
	Totals	**180,764.70**		**177,607.88**	**7,156.01**	**4.03%**	**26.67%**
	Common Stock						
80	Abbott Laboratories	4,560.00	47 91	3,832.80	140.80	3 67%	0.58%
50	Air Products & Chemicals	3,847 00	90.95	4,547 50	98 00	2 16%	0 68%
250	Alcoa Inc	5,870 00	15 39	3,847.50	30 00	0 78%	0 58%
20	Apple Computer Inc	1,579 13	322 56	6,451 20	0 00	0 00%	0 97%
200	Automatic Data Processing Inc	7,190 03	46 28	9,256 00	288 00	3 11%	1 39%

18-1276104

Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
232	Bank America Corporation	3,570.02	13 34	3,094.88	9 28	0 30%	0 46%
47	Berkshire Hathaway Inc - Cl B	3,605 75	80 11	3,765.17	0 00	0 00%	0 57%
51	Best Buy Inc	2,286 08	34.29	1,748.79	30.60	1 75%	0.26%
72	Caterpillar Inc	4,088.45	93.66	6,743.52	126 72	1 88%	1 01%
57	Chevron Corp	4,484 99	91 25	5,201 25	164 16	3.16%	0 78%
	Changed from Chevron Texaco Corp on 5/10/05						
170	Cisco Systems Inc	2,274.60	20 23	3,439.10	0.00	0 00%	0 52%
928	Citigroup Inc	4,064 55	4 73	4,389 44	0.00	0 00%	0.66%
46	Costco Wholesale Corporation	2,120 94	72 21	3,321.66	37.72	1.14%	0 50%
70	Danaher Corporation	2,575 62	47 17	3,301.90	5 60	0 17%	0 50%
88	Disney Walt Co Holdings	1,814 42	37 51	3,300 88	35.20	1 07%	0 50%
44	Du Pont E I De Nemours & Company	2,023 45	49 88	2,194 72	72 16	3.29%	0 33%
260	EMC Corporation	3,576 25	22.90	5,954 00	0 00	0 00%	0 89%
90	Emerson Electric Company	4,366.79	57 17	5,145.30	124 20	2.41%	0.77%
46	Exelon Corporation	2,454 63	41 64	1,915.44	96.60	5 04%	0 29%
90	Exxon Mobil Corporation	6,753.45	73.12	6,580 80	158 40	2 41%	0.99%
130	General Electric Company	3,247.40	18 29	2,377.70	72 80	3.06%	0.36%
4	Google Inc	1,936 64	593 97	2,375.88	0 00	0.00%	0 36%
42	Illinois Tool Works Inc	1,780 59	53 40	2,242 80	57 12	2 55%	0 34%
155	Intel Corporation	3,417 75	21 03	3,259.65	97 65	3.00%	0 49%
57	Johnson & Johnson	3,046 65	61.85	3,525.45	123 12	3.49%	0 53%
153	JP Morgan Chase & Company	6,188.54	42 42	6,490.26	30 60	0 47%	0 97%
129	Kraft Foods Inc	4,116 63	31.51	4,064 79	149 64	3.68%	0 61%
110	Lowes Cos Inc	2,110 87	25 08	2,758 80	48 40	1 75%	0 41%

Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
62	McDonalds Corporation	3,487 79	76 76	4,759 12	151 28	3.18%	0.71%
93	Merck & Co Inc	3,454.84	36 04	3,351 72	141 36	4 22%	0.50%
70	Metlife Inc	3,778.81	44 44	3,110 80	51 80	1 67%	0 47%
53	NextEra Energy Inc	2,630 15	51 99	2,755 47	106.00	3 85%	0 41%
77	Northern Trust Corporation	4,081 18	55 41	4,266.57	86 24	2.02%	0 64%
164	Oracle Corporation	3,113.22	31 30	5,133.20	32 80	0 64%	0 77%
90	Peabody Energy Corporation	3,330 13	63 98	5,758.20	30 60	0 53%	0 86%
130	Pepsico Inc	5,031 00	65 33	8,492.90	249 60	2 94%	1 28%
82	Procter & Gamble Company	3,948.84	64 33	5,275 06	158 03	3 00%	0.79%
73	Schlumberger Limited	3,696.73	83 50	6,095 50	61 32	1 01%	0 92%
87	Target Corporation	4,879.23	60 13	5,231 31	87 00	1 66%	0 79%
192	U S Bancorp Del	5,735.81	26 97	5,178 24	38 40	0 74%	0.78%
50	United Technologies Corporation	1,297 50	78 72	3,936 00	85 00	2 16%	0 59%
46	Wal-Mart Stores Inc	2,678.32	53.93	2,480.78	55.66	2 24%	0 37%
	Totals	**150,094.77**		**180,952.05**	**3,331.86**	**1.84%**	**27.18%**
	Foreign Common Stock						
30	BHP Billiton Limited ADR	2,428.56	92 92	2,787.60	52.20	1 87%	0 42%
83	Teva Pharmaceutical Industries Limited ADR	4,131 86	52 13	4,326.79	55 38	1 28%	0 65%
	Totals	**6,560.42**		**7,114.39**	**107.58**	**1.51%**	**1.07%**
	US Large Cap Equity Funds						
34 461	Vanguard Index Trust Fund 500 PT (40)	3,900 00	115 82	3,991 27	67 75	1 70%	0 60%
	Totals	**3,900.00**		**3,991.27**	**67.75**	**1.70%**	**0.60%**

Account Name : Carlson Music Scholarship Fund   N8-1276104   Account No : 32420450

Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
	US Small & Mid Cap Equity Fund						
1,529 923	Oppenheimer Main Street Small & Mid-Cap Fund Class Y	30,000 00	21 45	32,816.85	115.19	0 35%	4.93%
697.066	T Rowe Price Mid Cap Growth Fund	25,846 44	58 53	40,799 27	0 00	0 00%	6 13%
	Totals	**55,846.44**		**73,616.12**	**115.19**	**0.16%**	**11.06%**
	International Developed Funds						
616 925	American Europacific Growth Fund - F2	14,172 07	41 33	25,497.51	417 60	1 64%	3 83%
720 149	Harbor International Fund	25,000 00	60 55	43,605 02	627 73	1.44%	6 55%
	Totals	**39,172.07**		**69,102.53**	**1,045.33**	**1.51%**	**10.38%**
	Total Investments	**586,160.11**		**666,020.25**	**16,071.95**	**2.41%**	**100.00%**
	Plus Net Cash			**0.00**			
	Total Market Value			**666,020.25**			

Note : '' Denotes Invested Income*

Interest Receivable	68	68
Total	586,228	666,088