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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

OMB No 1545-0047
2010
Open to Public Inspection

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MORNINGSIDe MINISTRIES		D Employer identification number 74-1388420
	Doing Business As		E Telephone number (210) 734-1000
	Number and street (or P O box if mail is not delivered to street address) 700 BABCOCK ROAD	Room/suite	G Gross receipts \$ 46,929,964
	City or town, state or country, and ZIP + 4 SAN ANTONIO, TX 782012600		
F Name and address of principal officer ALVIN LOEWENBERG 700 BABCOCK ROAD SAN ANTONIO, TX 782012600		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ WWW.MMLIVING.ORG			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 1959
			M State of legal domicile TX

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities MISSION AND PURPOSE - THE MISSION OF MORNINGSIDe MINISTRIES IS TO "CARE FOR THOSE WHO CARED FOR US " TO ACCOMPLISH THIS MISSION, MORNINGSIDe PROVIDES ELDERLY PERSONS IN SAN ANTONIO AND SURROUNDING COMMUNITIES WITH PERSONAL CARE IN A RESIDENTIAL SETTING, AS WELL AS LIMITED RECREATIONAL AND CAREGIVER SERVICES TO NON-RESIDENTS MAJOR PROGRAM SERVICES INCLUDE RETIREMENT HOUSING, ASSISTED LIVING SERVICES, MEMORY CARE, SKILLED NURSING CARE, AND REHABILITATION SERVICES MORNINGSIDe OPERATES THREE FACILITIES IN BEXAR AND KENDALL COUNTIES WHICH ARE HOME TO OVER 800 OLDER ADULTS HISTORY AND FOUNDERS - MORNINGSIDe WAS ORIGINALLY FOUNDED IN 1959 BY THE SOUTHWEST TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH DURING THAT SAME YEAR, IT WAS INCORPORATED AS A NONPROFIT ORGANIZATION IN THE STATE OF TEXAS AND RECEIVED ITS FEDERAL IRS 501(C)3 DESIGNATION VERY SOON THEREAFTER, THE METHODIST CHURCH WAS JOINED BY THE EPISCOPAL DIOCESE OF WEST TEXAS AND THE FIRST PRESBYTERIAN CHURCH OF SAN ANTONIO TO HEL		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	25
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	24
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,016
	6 Total number of volunteers (estimate if necessary)	6	150
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)		0
	9 Program service revenue (Part VIII, line 2g)	39,173,086	40,103,561
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-11,571	70,597
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,282,817	3,096,134
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	43,444,332	43,270,292
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
14 Benefits paid to or for members (Part IX, column (A), line 4)			0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		21,828,079	23,128,598
16a Professional fundraising fees (Part IX, column (A), line 11e)		10,029	27,394
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 246,042			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		16,849,696	17,516,774
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		38,687,804	40,672,766
19 Revenue less expenses Subtract line 18 from line 12	4,756,528	2,597,526	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 47,061,924	End of Year 49,733,642
	21 Total liabilities (Part X, line 26)	9,777,045	9,783,335
	22 Net assets or fund balances Subtract line 21 from line 20	37,284,879	39,950,307

Part II Signature Block

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

Sign Here	***** Signature of officer	2011-09-23 Date			
	JOAN DIXON VP OF FINANCE Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name PAUL J FITZGERALD	Preparer's signature PAUL J FITZGERALD	Date 2011-10-21	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ PAUL J FITZGERALD PC				Firm's EIN ▶
	Firm's address ▶ 100 NE LOOP 410 STE 960 SAN ANTONIO, TX 78216				Phone no ▶ (210) 546-2190

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

MISSION AND PURPOSE - THE MISSION OF MORNINGSIDE MINISTRIES IS TO "CARE FOR THOSE WHO CARED FOR US " TO ACCOMPLISH THIS MISSION, MORNINGSIDE PROVIDES ELDERLY PERSONS IN SAN ANTONIO AND SURROUNDING COMMUNITIES WITH PERSONAL CARE IN A RESIDENTIAL SETTING, AS WELL AS LIMITED RECREATIONAL AND CAREGIVER SERVICES TO NON-RESIDENTS MAJOR PROGRAM SERVICES INCLUDE RETIREMENT HOUSING, ASSISTED LIVING SERVICES, MEMORY CARE, SKILLED NURSING CARE, AND REHABILITATION SERVICES MORNINGSIDE OPERATES THREE FACILITIES IN BEXAR AND KENDALL COUNTIES WHICH ARE HOME TO OVER 800 OLDER ADULTS HISTORY AND FOUNDERS - MORNINGSIDE WAS ORIGINALLY FOUNDED IN 1959 BY THE SOUTHWEST TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH DURING THAT SAME YEAR, IT WAS INCORPORATED AS A NONPROFIT ORGANIZATION IN THE STATE OF TEXAS AND RECEIVED ITS FEDERAL IRS 501(C)3 DESIGNATION VERY SOON THEREAFTER, THE METHODIST CHURCH WAS JOINED BY THE EPISCOPAL DIOCESE OF WEST TEXAS AND THE FIRST PRESBYTERIAN CHURCH OF SAN ANTONIO TO HEL

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 13,684,540 including grants of \$) (Revenue \$ 33,965,048)
 NURSING SERVICES - PROVIDES COMPLETE RANGE OF HEALTH SERVICES TO RESIDENTS IN NURSING BEDS AND ASSISTED LIVING RESIDENTIAL RESIDENTS RESIDENTS RECEIVE SKILLED AND INTERMEDIATE NURSING CARE, MEALS, DIETITIAN'S SERVICES, AND A WIDE RANGE OF RECREATIONAL ACTIVITIES IT ALSO INCLUDES A FULL RANGE OF REHABILITATION SERVICES, INCLUDING PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY SPECIALIZED NURSING AND THERAPEUTIC SERVICES ARE AVAILABLE FOR RESIDENTS LIVING WITH ALZHEIMER'S DISEASE OR OTHER DEMENTIA-RELATED DISEASES DURING 2010, 900 RESIDENTS ARE PROVIDED FULL-TIME NURSING CARE, INCLUDING REHABILITATION SERVICES AND MEMORY CARE THESE SERVICES INCLUDE RESIDENTS WHO ARE PRIVATE PAY, MEDICARE, MEDICAID, COVENANT (CHARITY ASSISTANCE) IN ADDITION, MANAGEMENT PROVIDES FACILITIES FOR MEETINGS OF VARIOUS ELDERLY AND HEALTH SERVICE GROUPS IN THE LOCAL COMMUNITY

4b (Code) (Expenses \$ 9,979,443 including grants of \$) (Revenue \$ 26,383)
 ENVIRONMENTAL SERVICES - INCLUDES HOUSEKEEPING AND LAUNDRY SERVICES FOR APPROXIMATELY 850 RESIDENTS ALSO INCLUDES THE MAINTENANCE OF THE GROUNDS, BUILDINGS, PLANT AND EQUIPMENT CONNECTED WITH APPROXIMATELY 600,000 SQ FT OF BUILDINGS LOCATED ON THREE SEPARATE CAMPUSES

4c (Code) (Expenses \$ 4,919,030 including grants of \$) (Revenue \$ 171,751)
 FOOD SERVICES - PROVIDES DAILY MEALS FOR APPROXIMATELY 950 RESIDENTS FOOD SERVICES INCLUDES SELECTIVE MENUS GIVING RESIDENTS A CHOICE OF MENUS, AND ACCOMMODATES THE NEEDS OF ALL DIET TYPES FROM PUREE, GROUND, SALT, AND CALORIE REGULATED AND ANY OTHER SPECIAL NUTRITION NEEDS OF THE RESIDENTS ON A 24 HOURS BASIS

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**
 (Expenses \$ 4,763,531 including grants of \$) (Revenue \$ 5,940,379)

4e Total program service expenses \$ 33,346,544

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	Yes	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question ID, question text, and Yes/No response boxes. Includes questions 1a-14b regarding Form 1096, W-2G, Form W-3, and other IRS filings.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	1a 25		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 24		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	Yes	
b	Other officers or key employees of the organization		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed _____
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 MRS JOAN DIXON
 700 BABCOCK ROAD
 SAN ANTONIO, TX 782012600
 (210) 734-1172

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							837,267		77,933	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **6**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
SELECT REHABILITATION INC PO BOX 809056 CHICAGO, IL 60680	THERAPY SERVICE	2,409,740
LEONARD CONTRACTING 16010 UNIVERSITY OAK 100 SAN ANTONIO, TX 78249	CONSTRUCTION	538,540
ATWORK PERSONNEL SERVICES INC PO BOX 202992 DALLAS, TX 75320	PERSONNEL	368,300
INGRAM ROOFING 17430-1 BANDERA ROAD HELOTES, TX 78023	CONSTRUCTION	264,592
FAVORITE NURSES PO BOX 803356 KANSAS CITY, MO 64180	STAFFING AGENCY	151,887

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **7**

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▼				
Program Service Revenue	2a ROOM AND BOARD	Business Code 623000	33,965,048	33,965,048	
	b ANCILLARY SERVICES	623990	4,346,885	4,346,885	
	c MISCELLANEOUS	623990	1,207,992	1,207,992	
	d BEAUTY SHOP	623990	230,738	230,738	
	e MEALS	623990	171,751	171,751	
	f All other program service revenue		181,147	181,147	
	g Total. Add lines 2a-2f ▼		40,103,561		
	3 Investment income (including dividends, interest and other similar amounts) ▼		50,182		50,182
4 Income from investment of tax-exempt bond proceeds ▼					
5 Royalties ▼					
6a Gross Rents	(i) Real	486,576			
	(ii) Personal				
	b Less rental expenses				
	c Rental income or (loss)	486,576			
d Net rental income or (loss) ▼		486,576		486,576	
7a Gross amount from sales of assets other than inventory	(i) Securities	224,174		1,630	
	(ii) Other				
	b Less cost or other basis and sales expenses	204,113		1,276	
	c Gain or (loss)	20,061		354	
d Net gain or (loss) ▼		20,415		20,415	
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b				
	c Net income or (loss) from fundraising events ▼				
9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b				
	c Net income or (loss) from gaming activities ▼				
10a Gross sales of inventory, less returns and allowances a		4,563,765			
	b Less cost of goods sold b	3,454,283			
	c Net income or (loss) from sales of inventory ▼		1,109,482	1,109,482	
Miscellaneous Revenue		Business Code			
11a BENEFICIAL INTEREST IN MSMF	623990	1,398,076	1,398,076		
b FUNDRAISING EXP REIMBURSEMENT	623990	60,000	60,000		
c ADMIN FEE REIMBURSEMENTS	623990	42,000	42,000		
d All other revenue					
e Total. Add lines 11a-11d ▼		1,500,076			
12 Total revenue. See Instructions ▼		43,270,292	42,713,119		557,173

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	422,391		422,391	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	19,487,949	16,005,549	3,304,133	178,267
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	295,348	280,227	12,883	2,238
9	Other employee benefits	1,418,146	1,064,677	350,733	2,736
10	Payroll taxes	1,504,764	1,216,149	274,978	13,637
a	Fees for services (non-employees)				
	Management				
b	Legal	62,653		62,653	
c	Accounting	45,201		45,201	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17	27,394			27,394
f	Investment management fees				
g	Other	4,033,092	3,648,583	384,509	
12	Advertising and promotion	41,822		41,822	
13	Office expenses	1,697,953	1,284,685	395,072	18,196
14	Information technology	14,707	14,707		
15	Royalties				
16	Occupancy	6,402,547	6,149,740	252,807	
17	Travel	51,195		49,600	1,595
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	34,127		33,748	379
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	484,333	419,182	65,151	
23	Insurance	476,444	2,803	473,641	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	FOOD	1,791,181	1,791,181		
b	NURSING SUPPLIES	1,062,364	1,062,364		
c	DEVELOPMENT	630,631		630,631	
d	MEDICAL EXPENSES	317,125	317,125		
e	OTHER EXPENSES	206,469	6,666	198,675	1,128
f	All other expenses	164,930	82,906	81,552	472
25	Total functional expenses. Add lines 1 through 24f	40,672,766	33,346,544	7,080,180	246,042
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	312,803	1	1,769,838
	2 Savings and temporary cash investments	2,931,757	2	3,188,544
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,382,705	4	2,365,835
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	350,161	8	361,945
	9 Prepaid expenses and deferred charges	260,744	9	318,028
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	7,878,104		
	b Less accumulated depreciation	4,981,709	2,767,287	10c 2,896,395
	11 Investments—publicly traded securities	886,867	11	992,977
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11	35,291,721	13	37,524,605
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	877,879	15	315,475
16 Total assets. Add lines 1 through 15 (must equal line 34)	47,061,924	16	49,733,642	
Liabilities	17 Accounts payable and accrued expenses	2,846,142	17	2,976,151
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	6,930,903	25	6,807,184
	26 Total liabilities. Add lines 17 through 25	9,777,045	26	9,783,335
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	2,020,596	27	3,260,509
	28 Temporarily restricted net assets	35,264,283	28	36,689,798
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	37,284,879	33	39,950,307	
34 Total liabilities and net assets/fund balances	47,061,924	34	49,733,642	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	43,270,292
2	Total expenses (must equal Part IX, column (A), line 25)	2	40,672,766
3	Revenue less expenses Subtract line 2 from line 1	3	2,597,526
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	37,284,879
5	Other changes in net assets or fund balances (explain in Schedule O)	5	67,902
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	39,950,307

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
MORNINGSIDE MINISTRIES

Employer identification number

74-1388420

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** **Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	

16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **b 33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **17a 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization **b 10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization **18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	34,351,605	37,472,887	32,935,522	46,666,957	46,167,402	197,594,373
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	34,351,605	37,472,887	32,935,522	46,666,957	46,167,402	197,594,373
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						197,594,373

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	34,351,605	37,472,887	32,935,522	46,666,957	46,167,402	197,594,373
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	62,481	104,447	144,776	361,303	536,758	1,209,765
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	62,481	104,447	144,776	361,303	536,758	1,209,765
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	102,000	102,000	102,000			306,000
13 Total support (Add lines 9, 10c, 11 and 12)	34,516,086	37,679,334	33,182,298	47,028,260	46,704,160	199,110,138

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

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	99.240 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	99.390 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	1.000 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

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

Facts And Circumstances Test

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SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization MORNINGSIDE MINISTRIES

Employer identification number 74-1388420

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	10,801,518	8,999,612	11,870,476		
b Contributions	151,741	353,722	69,617		
c Investment earnings or losses	1,096,636	1,924,570	-2,648,050		
d Grants or scholarships					
e Other expenditures for facilities and programs	27,675	476,386	292,431		
f Administrative expenses					
g End of year balance	11,772,220	10,801,518	8,999,512		

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment
- b** Permanent endowment 100 000 %
- c** Term endowment

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

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

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

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

Description of investment	(a) Cost or other basis (Investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		7,380,818	4,557,554	2,823,264
e Other		497,286	424,155	73,131
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				2,896,395

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) BENEFICIAL INTEREST , MSMF	37,524,605	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)	37,524,605	

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

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ENTRANCE FEES & DEPOSITS	6,807,184
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	6,807,184

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

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

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

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

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	

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

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	ENDOWMENT FUNDS ARE INTENDED TO BE USED TO ASSIST WITH THE MORNINGSIDE MINISTRIES COVENANT ASSISTANCE PROGRAM, WHICH ASSISTS INDIGENT RESIDENTS LIVING IN MORNINGSIDE FACILITIES. ADDITIONALLY, THE FUNDS ARE TO BE USED TO PROVIDE FOR THE UPKEEP OF THE MORNINGSIDE MEADOWS FACILITY.
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	PART X, LINE 2 - THE TEXT OF THE FOOTNOTE TO THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS THAT REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740) IS AS FOLLOWS: THE CORPORATION HAS EVALUATED THE REQUIREMENTS OF FASB ASC TOPIC 740, INCOME TAXES, AND BELIEVES IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED IN ITS INCOME TAX RETURNS. ADDITIONALLY, IT HAD NO INTEREST AND PENALTIES RECOGNIZED IN THE STATEMENTS OF ACTIVITIES OR STATEMENTS OF FINANCIAL POSITION. TAX YEARS 2007 - 2010 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.

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

**Supplemental Information Regarding
Fundraising or Gaming Activities**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
MORNINGSIDE MINISTRIES

Employer identification number
74-1388420

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** Mail solicitations
- b** Internet and e-mail solicitations
- c** Phone solicitations
- d** In-person solicitations
- e** Solicitation of non-government grants
- f** Solicitation of government grants
- g** Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
ANTHONY BIR 134 ANNE LEWIS DR SAN ANTONIO, TX 78216	CONSULTING		No	35,092	17,394	17,698
DEAN ASSOCIATES 1433 RIVIERA DR CANYON LAKE, TX 78133	CONSULTING		No	10,680	10,000	680
Total				45,772	27,394	18,378

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

TX

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		(event type)	(event type)	(total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts				
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
Direct Expenses	6 Volunteer labor	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
Direct Expenses	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a
b An outside facility	13b

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
FUNDRAISING VS REIMBURSEMENT EXPLANATION	SCHEDULE G PAGE 1 PART I LINE 2B COLUMN V	ANTHONY BIR PLANNED GIVING CONSULTING DEAN ASSOCIATES PLANNED GIVING CONSULTING

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
MORNINGSIDE MINISTRIES

Employer identification number

74-1388420

Part I Questions Regarding Compensation

Yes No

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|---|---|
| <input type="checkbox"/> First-class or charter travel | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

1b No

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

2 No

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment from the organization or a related organization?

4a No

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

4b Yes

c Participate in, or receive payment from, an equity-based compensation arrangement?

4c No

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

5a No

b Any related organization?

5b No

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

6a No

b Any related organization?

6b No

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

7 No

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

8 No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

9

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ALVIN LOEWENBERG	(i) (ii)	264,111			30,652	5,971	300,734	
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	ALL ORDAINED MINISTERS EMPLOYED RECEIVE HOUSING ALLOWANCES AS PART OF THEIR NORMAL COMPENSATION. SUBSTANTIATION OF HOUSING EXPENSES OF AN ORDAINED MINISTER ARE NOT REQUIRED TO BE MAINTAINED BY THE EMPLOYER.
WRITTEN REIMBURSEMENT POLICY EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1B	ALL ORDAINED MINISTERS EMPLOYED RECEIVE HOUSING ALLOWANCES AS PART OF THEIR NORMAL COMPENSATION. SUBSTANTIATION OF HOUSING EXPENSES OF AN ORDAINED MINISTER ARE NOT REQUIRED TO BE MAINTAINED BY THE EMPLOYER.
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	ALVIN LOEWENBERG 0 30,652 0

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the organization
MORNINGSIDE MINISTRIES

Employer identification number

74-1388420

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	<p>MISSION AND PURPOSE - THE MISSION OF MORNINGSIDE MINISTRIES IS TO "CARE FOR THOSE WHO CARE D FOR US " TO ACCOMPLISH THIS MISSION, MORNINGSIDE PROVIDES ELDERLY PERSONS IN SAN ANTONIO AND SURROUNDING COMMUNITIES WITH PERSONAL CARE IN A RESIDENTIAL SETTING, AS WELL AS LIMIT ED RECREATIONAL AND CAREGIVER SERVICES TO NON-RESIDENTS MAJOR PROGRAM SERVICES INCLUDE RE TIREMENT HOUSING, ASSISTED LIVING SERVICES, MEMORY CARE, SKILLED NURSING CARE, AND REHABIL ITATION SERVICES MORNINGSIDE OPERATES THREE FACILITIES IN BEXAR AND KENDALL COUNTIES WHIC H ARE HOME TO OVER 800 OLDER ADULTS HISTORY AND FOUNDERS - MORNINGSIDE WAS ORIGINALLY FOU NDED IN 1959 BY THE SOUTHWEST TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH DURING THAT SAME YEAR, IT WAS INCORPORATED AS A NONPROFIT ORGANIZATION IN THE STATE OF TEXAS AND RECE IVED ITS FEDERAL IRS 501(C)3 DESIGNATION VERY SOON THEREAFTER, THE METHODIST CHURCH WAS J OINED BY THE EPISCOPAL DIOCESE OF WEST TEXAS AND THE FIRST PRESBYTERIAN CHURCH OF SAN ANTO NIO TO HELP PROVIDE CARE TO THE ELDERLY AFTER NEARLY 50 YEARS OF SERVICES, MORNINGSIDE'S PRIMARY GOAL REMAINS THE SAME TO MEET THE INDIVIDUAL SPIRITUAL, EMOTIONAL, PHYSICAL AND I NTELLECTUAL NEEDS OF OUR RESIDENTS AND THEIR FAMILIES IN A FAITH-BASED ATMOSPHERE MORNING SIDE IS OPEN TO ALL ELDERLY PERSONS REGARDLESS OF RELIGIOUS FAITH CHARITY CARE FOR THE AG ED - AS PART OF ITS MINISTRY, MORNINGSIDE PROVIDES CHARITABLE CARE TO RESIDENTS WHO HAVE O UTLIVED THEIR RESOURCES THE COVENANT ENDOWMENT FUND WAS SPECIFICALLY ESTABLISHED TO PROVI DE FINANCIAL ASSISTANCE TO THOSE RESIDENTS WHO YEARS AFTER MOVING TO MORNINGSIDE FIND THAT THEY CAN NO LONGER PAY FOR THE SERVICES THEY RECEIVE IN ADDITION, STATE MEDICAID PAYMENT S TO NURSING HOMES ARE SUBSTANTIALLY LOWER THAN THE COST OF THE HIGH-QUALITY NURSING CARE PROVIDED BY MORNINGSIDE AT ANY ONE TIME, APPROXIMATELY 50% OF MORNINGSIDE'S NURSING BEDS ARE OCCUPIED BY MEDICAID RECIPIENTS IN 2010, MORNINGSIDE PROVIDED APPROXIMATELY 2 8 MILLI ON OF CHARITABLE CARE TO MORE THAN 300 SENIORS INDEPENDENT LIVING - INDEPENDENT LIVING RE SIDENTS COME TO MORNINGSIDE WHEN THEY BEGIN TO EXPERIENCE PROBLEMS MAINTAINING AND MANAGIN G THEIR HOMES, AS WELL AS DRIVING AN AUTOMOBILE ON THEIR OWN RESIDENTS IN INDEPENDENT LIV ING ARE PROVIDED APARTMENT AND COTTAGE-TYPE HOUSING, MEALS IN A RESTAURANT-STYLE DINNING R OOMS, HOUSEKEEPING SERVICES, TRANSPORTATION, AND RECREATIONAL ACTIVITIES DURING 2010, 450 ELDERLY PERSONS LIVED IN MORNINGSIDE'S INDEPENDENT LIVING FACILITIES ASSISTED LIVING AND MEMORY CARE - RESIDENTS IN ASSISTED LIVING AND MEMORY CARE REQUIRE PERSONAL ASSISTANCE WI TH DAILY LIVING ACTIVITIES BECAUSE OF PHYSICAL DEBILITATION OR MEMORY LOSS THEY ARE PROVI DED THE SAME SERVICES AS THOSE IN INDEPENDENT LIVING, PLUS ASSISTANCE WITH BATHING, DRESSI NG, MEALS, LAUNDRY, AND MEDICATION MANAGEMENT DURING 2010, 200 PERSONS RESIDED IN ASSIS TED LIVING AND MEMORY CARE FACILITIES SKILLED NURSING CARE -RESIDENTS RECEIVE SKILLED AND I NTERMEDIATE NURSING CARE, MEALS, DIETITIAN'S SERVICES, AND A WIDE RANGE OF RECREATIONAL AC TIVITIES IT ALSO INCLUDES A FULL RANGE OF REHABILITATION SERVICES, INCLUDING PHYSICAL, OC CUPATIONAL AND SPEECH THERAPY SPECIALIZED NURSING AND THERAPEUTIC SERVICES ARE AVAILABLE FOR RESIDENTS LIVING WITH ALZHEIMER'S DISEASE OR OTHER DEMENTIA-RELA TED DISEASES DURING 2 010, 900 RESIDENTS ARE PROVIDED FULL-TIME NURSING CARE, INCLUDING REHABILITATION SERVICES AND MEMORY CARE CHANDLER SENIOR CENTER - FOR OLDER ADULTS STILL LIVING AT HOME, MORNINGSI DE OPERATES THE CHANDLER SENIOR CENTER, A COMMUNITY CENTER THAT FOCUSES ON "HEALTHY AGING " CURRENTLY, THE CHANDLER SENIOR CENTER HAS A MEMBERSHIP OF APPROXIMATELY 50 PERSONS THE GOAL OF THE COMMUNITY CENTER FOR SENIORS IS TO HELP OLDER PERSONS TO STAY HEALTHY -BOTH PHY SICALLY AND MENTALLY-AND LIVE INDEPENDENTLY FOR AS LONG AS POSSIBLE OPEN TO ALL PERSONS 5 5 AND OLDER, COMMUNITY CENTER MEMBERS AND THEIR GUESTS CAN EAT LUNCH ON ANY WEEKDAY, TAKE PART IN EXERCISE AND NUTRITION CLASSES, ATTEND EDUCATIONAL LECTURES, AND JOIN IN RECREATIO NAL ACTIVITIES AT THE CENTER IF NEEDED, MEMBERS CAN RECEIVE SERVICES FROM A LICENSED DIET ITIAN OR SOCIAL WORKER AND CONSULT WITH A NURSE OR PHY SICAL THERAPIST IN ADDITION, MEMBER S CAN ALSO PARTICIPATE IN LOCAL CULTURAL AND NATURE OUTINGS, AS WELL AS JOIN THE TRAVEL CL UB THAT ARRANGES TRIPS THROUGHOUT TEXAS AND THE U S MMLEARN ORG AT MORNINGSIDE MINISTRIE S - MMLEARN ORG IS AN ON-SITE, DISTANCE-LEARNING TRAINING PROGRAM FOR THOSE PROVIDING CARE TO OLDER PERSONS IT IS OPERATED BY THE ELIZABETH MCGOWN CAREGIVER TRAINING INSTITUTE IN SAN ANTONIO AND THE GEORGIE BRISCOE RESOURCE CENTER FOR CAREGIVERS IN UVALDE, BOTH PROGRAM S OF MORNINGSIDE MINISTRIES MMLEARN ORG SERVES FAMILIES PROVIDING CARE FOR AN OLDER ADULT AT HOME, CHURCH MEMBERS MINISTERING TO THE NEEDS OF THE ELDERLY IN THEIR COMMUNITIES, AND CERTIFIED AND LICESENCED HEALTHCARE WORKERS EMPLOYED IN NURSING HOMES AND ASSISTED LIVING FACILITIES, AS WELL AS THOSE INDEPENDENTLY EMPLOY</p>

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	ED PROVIDING CARE TO THE AGED IT USES THE MOST UP-TO-DATE DISTANCE LEARNING TECHNOLOGY TO PROVIDE TRAINING TO CAREGIVERS ATTENDING CLASSES IN PERSON, AS WELL AS TO THOSE VIEWING COURSE INSTRUCTION VIA THE INTERNET AT OTHER LOCATIONS IN SAN ANTONIO AND SURROUNDING COMMUNITIES DURING 2010, MMLEARN.ORG RECEIVED APPROXIMATELY 15,000 WEBSITE VIEWS

Identifier	Return Reference	Explanation
EXPLANATION ON VOLUNTEERS AND TYPES OF SERVICES OR BENEFITS	FORM 990, PAGE 1, PART I, LINE 6	<p>VOLUNTEERS IN THE ORGANIZATION THE AUXILIARY AT MORNINGSIDE MANOR WAS ALREADY ESTABLISHED WHEN MORNINGSIDE OPENED ITS FIRST FACILITY IN 1961 THE AUXILIARY WAS CREATED TO HELP DEFRA Y THE COST OF PROVIDING CARE TO RESIDENTS IN NURSING CARE, PROVIDE PERSONAL ATTENTION TO EACH RESIDENT, AND CREATE VOLUNTEER OPPORTUNITIES TO COMMUNITY MEMBERS WANTING TO WORK WITH THE ELDERLY IN NURSING CARE TODAY, THERE ARE 85 VOLUNTEERS IN THE AUXILIARY PROVIDING MORE THAN 6,000 VOLUNTEER HOURS PER YEAR THEY UNDERTAKE A WIDE RANGE OF ACTIVITIES THAT FREE THE NURSING STAFF TO CONCENTRATE ON PATIENT CARE, INCLUDING VISITING WITH RESIDENTS, MAKING ROUNDS WITH "HYDRATION CARTS" TO ENSURE RESIDENTS DRINK PLENTY OF FLUIDS WHICH IS SO CRITICAL TO CONTINUED GOOD HEALTH, AND RUNNING ERRANDS FOR THE RESIDENTS TO NEARBY PHARMACIES, SUPERMARKETS, AND DEPARTMENT STORES VOLUNTEERS ALSO READ TO RESIDENTS WHO CAN NO LONGER HOLD A BOOK OR WHOSE VISION HAS FAILED THEY ALSO HELP LEAD BOARD AND OTHER GAMES FOR RESIDENTS AND ORGANIZE MUSICAL ENTERTAINMENT FOR THEM VOLUNTEERS OPERATE THE "WELCOME WAGON" PRESENTING ALL NEW RESIDENTS WITH A GIFT BAG AND ALSO PREPARE GIFTS FOR RESIDENTS ON THEIR BIRTHDAY, CHRISTMAS OR OTHER SPECIAL OCCASIONS THE AUXILIARY ALSO OPERATES A GIFT SHOP AT THE MANOR THAT IS OPEN TO ALL RESIDENTS, FAMILY MEMBERS, AND EMPLOYEES ALL PROFITS OF THE SHOP ARE DONATED BY THE AUXILIARY TO THE MANOR TO BE USED FOR RENOVATION OF THE FACILITIES, PURCHASE OF NEEDED EQUIPMENT AND FURNITURE, AND TO PURCHASE BOOKS, MATERIALS AND SUPPLIES THAT IMPROVE THE QUALITY OF LIFE FOR RESIDENTS SINCE 1994, THE AUXILIARY HAS DONATED APPROXIMATELY 259,000 IN CASH TO MORNINGSIDE MANOR FROM THE GIFT SHOP PROCEEDS VOLUNTEERS ARE RECRUITED AT AREA CHURCHES, THROUGH PARENT-TEACHER ASSOCIATIONS, FROM PRESENTATIONS MADE BY A SPEAKERS' BUREAU, AND THROUGH REFERRALS MADE BY VOLUNTEERS, RESIDENTS, FAMILY MEMBERS AND EMPLOYEES MOST VOLUNTEERS SPEND MANY YEARS VOLUNTEERING AT MORNINGSIDE WITH MANY LEAVING THE AUXILIARY ONLY AFTER RETIRING OR WHEN THEIR OWN HEALTH FAILS IN ADDITION, HUNDREDS OF OTHER VOLUNTEERS THROUGHOUT THE YEAR PARTICIPATE IN A WIDE VARIETY OF ACTIVITIES AT ALL OF MORNINGSIDE MINISTRIES' THREE CAMPUSES THESE VOLUNTEERS ARE PART OF AN INFORMAL VOLUNTEER PROGRAM WHICH INCLUDES ONE-TIME, SHORT-TERM AND LONG-TERM VOLUNTEER SERVICE PROJECTS WHILE MANY VOLUNTEERS COME AS PART OF A CORPORATE VOLUNTEER PROJECT, CHURCH GROUP, SCOUT TROOP, SCHOOL CLASS OR OTHER ORGANIZED EFFORT, OTHER VOLUNTEERS COME ON THEIR OWN WANTING TO HELP MINISTER TO THE NEEDS OF RESIDENTS VOLUNTEER ACTIVITIES INCLUDE DRIVING RESIDENTS ON ERRANDS OR TO CHURCH, VISITING WITH RESIDENTS, HELPING WITH RECREATION ACTIVITIES, MUSICAL PERFORMANCES, COMPUTER LESSONS AND MANY OTHER ACTIVITIES THESE VOLUNTEERS WORK UNDER THE DIRECTION OF AN ACTIVITIES COORDINATOR ON EACH CAMPUS</p>

Identifier	Return Reference	Explanation
FIRST ACHIEVEMENT DESCRIPTION	FORM 990, PAGE 2, PART III, LINE 4A	VARIOUS ELDERLY AND HEALTH SERVICE GROUPS IN THE LOCAL COMMUNITY

Identifier	Return Reference	Explanation
ALL OTHER ACHIEVEMENTS DESCRIPTION	FORM 990, PAGE 2, PART III, LINE 4D	PART III, LINE 4D, OTHER PROGRAM SERVICES OTHER PROGRAM SERVICES INCLUDE ANCILLARY SERVICES AND LIFE ENRICHMENT ANCILLARY SERVICES - INCLUDES ENTERAL FEEDING AND OCCUPATIONAL, SPEECH, PHYSICAL AND OTHER THERAPY SERVICES TO THE RESIDENTS AND COMMUNITY ALSO INCLUDES PROVIDING MEETING PLACES FOR VARIOUS LOCAL ELDERLY AND HEALTH SERVICE GROUPS EDUCATIONAL ACTIVITIES LIFE ENRICHMENT - SERVICES PERFORMED BY SOCIAL WORKERS, CHAPLAIN AND SOCIAL ACTIVITIES STAFF THIS AREA ALSO INCLUDES SERVICES SUCH AS THE BARBER AND BEAUTY SHOPS WHICH ARE PROVIDED AT A NOMINAL CHARGE FOR THE ELDERLY SOCIAL WORKERS, TOGETHER WITH HEALTH SERVICES AND SOCIAL SERVICES STAFFS, EVALUATE THE NEEDS OF THE RESIDENTS AND THEN PLAN AND DESIGN PROGRAMS TO ENHANCE THE DAILY LIVES OF APPROXIMATELY 850 RESIDENTS AS WELL AS THE ELDERLY COMMUNITY AT LARGE THESE INCLUDE RESIDENTS AND FULLY ACTIVE SENIORS THE PROGRAMS ARE ENHANCED BY APPROXIMATELY 20,000 HOURS CONTRIBUTED BY VOLUNTEERS FROM THE COMMUNITY

Identifier	Return Reference	Explanation
SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS	FORM 990, PAGE 6, PART VI, LINE 4	DURING THE YEAR 2010 THE BY LAWS OF THE CORPORATION WERE AMENDED AND RESTATED AS THE BOARD DETERMINED IT TO BE IN THE BEST INTERESTS OF THE CORPORATION TO REDUCE THE NUMBER OF MEMBERS OF THE BOARD OVER A PERIOD OF APPROXIMATELY THREE (3) YEARS AND PRIMARILY THROUGH ATTRITION AND/OR RESIGNATION OF PRESENT MEMBERS OF THE BOARD THE TOTAL NUMBER OF BOARD MEMBERS IS TO BE REDUCED FROM 27 TO 15 OVER THIS TIME PERIOD

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	FORM 990 WAS REVIEWED BY THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	EACH YEAR, NEW BOARD MEMBERS SIGN A CONFLICT OF INTEREST STATEMENT WE HAVE SUCH STATEMENTS SIGNED BY EVERY MEMBER OF THE BOARD A NEW STATEMENT IS SIGNED EACH YEAR BY EVERY BOARD MEMBER THE PRESIDENT AND CEO'S OFFICE MONITORS THESE IF THERE IS A CONFLICT OF INTEREST, THE BOARD IS MADE AWARE OF THIS AND THE BOARD MEMBER INVOLVED DOES NOT SPEAK OR VOTE ON THOSE RELATED ISSUES

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE PRESIDENT AND CEO'S COMPENSATION IS REVIEWED AND APPROVED ON AN ANNUAL BASIS BY THE EXECUTIVE COMMITTEE. DURING THIS REVIEW THE EXECUTIVE COMMITTEE UTILIZES COMPARABILITY DATA OF OTHER ORGANIZATIONS OF THIS NATURE AND THE RESULTS OF THEIR REVIEW AND DECISIONS ARE FORWARDED TO HUMAN RESOURCES.

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC BY REQUEST (WRITTEN OR ORAL) ALSO, THE CONSOLIDATED AUDIT REPORT IS POSTED ON ITS WEBSITE

Identifier

Return Reference

Explanation

OTHER CHANGES IN NET ASSETS EXPLANATION

FORM 990, PART XI, LINE 5

UNREALIZED INVESTMENT GAINS

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
MORNINGSIDE MINISTRIES

Employer identification number

74-1388420

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) THE MORNINGSIDE MINISTRIES FD INC THE MORNINGSIDE MINISTRIES FD INC 700 BABCOCK ROAD SAN ANTONIO, TX 782012600 74-2927605	FOOTNOTE	TX	501C3	9	NA		No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l		No
1m		No
1n		No
1o		No
1p	Yes	
1q	Yes	
1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) THE MORNINGSIDE MINISTRIES FD INC THE MORNINGSIDE MINISTRIES FOUNDATION INC	D	54,330,000	AMOUNT GUARANTEED
(2) THE MORNINGSIDE MINISTRIES FD INC THE MORNINGSIDE MINISTRIES FOUNDATION INC	J	3,665,400	CASH PAID
(3) THE MORNINGSIDE MINISTRIES FD INC THE MORNINGSIDE MINISTRIES FOUNDATION INC	P	102,000	CASH RECEIVED
(4)			
(5)			
(6)			

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Form 4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

2010

Attachment Sequence No 67

See separate instructions. Attach to your tax return.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number.

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 2 columns: Description, Amount. Rows 1-5.

Table with 3 columns: (a) Description of property, (b) Cost (business use only), (c) Elected cost. Rows 6-13.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

Table with 2 columns: Description, Amount. Rows 14-16.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 columns: Description, Amount. Rows 17-18.

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i.

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

Table with 6 columns: Description, Amount, Recovery period, Convention, Method. Rows 20a-c.

Part IV Summary (see instructions)

Table with 2 columns: Description, Amount. Rows 21-23.

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) **25**

26 Property used more than 50% in a qualified business use

27 Property used 50% or less in a qualified business use

28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) for Vehicle 1 through Vehicle 6. Rows include 30-33 (miles driven) and 34-36 (availability and use).

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table for Section C with columns Yes/No. Rows include 37-41 regarding policy statements and requirements.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

Table for Section VI with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 A amortization of costs that begins during your 2010 tax year (see instructions)

43 A amortization of costs that began before your 2010 tax year **43** 3,013

44 Total. Add amounts in column (f) See the instructions for where to report **44** 3,013

Additional Data

Software ID:
Software Version:
EIN: 74-1388420
Name: MORNINGSIDE MINISTRIES

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BILL BALTHROPE DIRECTOR	1 00	X					0	0	0	
GLENN BIGGS DIRECTOR	1 00	X					0	0	0	
TOM BINGHAM DIRECTOR	1 00	X					0	0	0	
NICK CAMPBELL DIRECTOR	1 00	X					0	0	0	
JAYNE CREASY DIRECTOR	1 00	X					0	0	0	
JIM DORFF DIRECTOR	1 00	X					0	0	0	
CONRAD FOTHERGILL DIRECTOR	1 00	X					0	0	0	
BILL GALBREATH DIRECTOR	1 00	X					0	0	0	
MARILYN HARRINGTON DIRECTOR	1 00	X					0	0	0	
CARL ROHLFS DIRECTOR	1 00	X					0	0	0	
BARBARA WOOD DIRECTOR	1 00	X					0	0	0	
PATRICK HEATH DIRECTOR	1 00	X					0	0	0	
SUSAN KERR DIRECTOR	1 00	X					0	0	0	
MIKE HORRIDGE DIRECTOR	1 00	X					0	0	0	
MIKE NOVAK DIRECTOR	1 00	X					0	0	0	
ROBERT PARKER DIRECTOR	1 00	X					0	0	0	
LESA PRESLEY DIRECTOR	1 00	X					0	0	0	
ROBERT PRICE DIRECTOR	1 00	X					0	0	0	
DAVID REED DIRECTOR	1 00	X					0	0	0	
ARTHUR RICHARDSON DIRECTOR	1 00	X					0	0	0	
CAROLYN JOHNSON DIRECTOR	1 00	X					0	0	0	
GAYLAN SCHROEDER DIRECTOR	1 00	X					0	0	0	
SCOTT SIMPSON DIRECTOR	1 00	X					0	0	0	
BARBARA MEYER DIRECTOR	1 00	X					0	0	0	
MIKE VENSON DIRECTOR	1 00	X					0	0	0	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GINNY WAY DIRECTOR	1 00	X						0	0	0
ANN WELLS DIRECTOR	1 00	X						0	0	0
DAVID WEST DIRECTOR	1 00	X						0	0	0
MARY SCHOFF DIRECTOR	1 00	X						0	0	0
VIRGILIO VAZQUEZ-GARZA DIRECTOR	1 00	X						0	0	0
ALVIN LOEWENBERG PRESIDENT	40 00			X				264,111	0	36,623
JOAN DIXON VP FINANCE	40 00			X				112,567	0	9,090
LEO CUTCLIFF EVP OPERATIO	40 00					X		136,469	0	6,639
MARIA WELLISCH VP QUALITY A	40 00					X		118,402	0	9,605
JACK RODGERS VP ADVANCEME	40 00					X		102,888	0	7,874
REAGAN ALLEN	40 00					X		102,830	0	8,102

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses \$	4,763,531	including grants of \$) (Revenue \$	5,940,379)
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PART III, LINE 4D, OTHER PROGRAM SERVICES OTHER PROGRAM SERVICES INCLUDE ANCILLARY SERVICES AND LIFE ENRICHMENT ANCILLARY SERVICES - INCLUDES ENTERAL FEEDING AND OCCUPATIONAL, SPEECH, PHYSICAL AND OTHER THERAPY SERVICES TO THE RESIDENTS AND COMMUNITY ALSO INCLUDES PROVIDING MEETING PLACES FOR VARIOUS LOCAL ELDERLY AND HEALTH SERVICE GROUP'S EDUCATIONAL ACTIVITIES LIFE ENRICHMENT - SERVICES PERFORMED BY SOCIAL WORKERS, CHAPLAIN AND SOCIAL ACTIVITIES STAFF THIS AREA ALSO INCLUDES SERVICES SUCH AS THE BARBER AND BEAUTY SHOPS WHICH ARE PROVIDED AT A NOMINAL CHARGE FOR THE ELDERLY SOCIAL WORKERS, TOGETHER WITH HEALTH SERVICES AND SOCIAL SERVICES STAFFS, EVALUATE THE NEEDS OF THE RESIDENTS AND THEN PLAN AND DESIGN PROGRAMS TO ENHANCE THE DAILY LIVES OF APPROXIMATELY 850 RESIDENTS AS WELL AS THE ELDERLY COMMUNITY AT LARGE THESE INCLUDE RESIDENTS AND FULLY ACTIVE SENIORS THE PROGRAMS ARE ENHANCED BY APPROXIMATELY 20,000 HOURS CONTRIBUTED BY VOLUNTEERS FROM THE COMMUNITY