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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation THE HAL AND KATHLEEN GERSHMAN FOUNDATION	**A Employer identification number** 26-1584651
Number and street (or P O box number if mail is not delivered to street address) PO BOX 13662 Room/suite	**B** Telephone number 701-780-0902
City or town, state, and ZIP code GRAND FORKS, ND 58208	**C** If exemption application is pending, check here ▶ ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☒ Name change	**D** 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	**E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 890,907. **J** Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*	**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I	**Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc., received	153,855.		N/A	
2	Check ▶ ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	10,629.	10,629.		STATEMENT 2
4	Dividends and interest from securities	12,965.	12,965.		STATEMENT 3
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	438.			STATEMENT 1
b	Gross sales price for all assets on line 6a 464,553.				
7	Capital gain net income (from Part IV, line 2)		24,712.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	**Total.** Add lines 1 through 11	177,887.	48,306.		
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees STMT 4	248.	0.		248.
b	Accounting fees STMT 5	1,890.	0.		1,890.
c	Other professional fees STMT 6	2,022.	1,618.		404.
17	Interest				
18	Taxes STMT 7	309.	6.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	**Total operating and administrative expenses.** Add lines 13 through 23	4,469.	1,624.		2,542.
25	Contributions, gifts, grants paid	38,700.			38,700.
26	**Total expenses and disbursements.** Add lines 24 and 25	43,169.	1,624.		41,242.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	134,718.			
b	**Net investment income** (if negative, enter -0-)		46,682.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	34.		
	2 Savings and temporary cash investments	28,192.	31,796.	31,796.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 8	107,256.	135,963.	145,744.
	b Investments - corporate stock STMT 9	372,622.	511,451.	502,090.
	c Investments - corporate bonds STMT 10	25,731.	77,345.	81,153.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans STMT 11	112,019.	104,838.	108,481.
	13 Investments - other STMT 12	101,288.	21,548.	21,621.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 13)	1,103.	22.	22.
	16 **Total assets** (to be completed by all filers)	748,245.	882,963.	890,907.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	748,245.	882,963.	
	30 **Total net assets or fund balances**	748,245.	882,963.	
	31 **Total liabilities and net assets/fund balances**	748,245.	882,963.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	748,245.
2	Enter amount from Part I, line 27a	2	134,718.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	882,963.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	882,963.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	ALERUS-DETAIL ATTACHED	P		
b	ALERUS-DETAIL ATTACHED	P		
c	CAPITAL GAINS DIVIDENDS			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	220,403.		201,456.	18,947.
b	243,770.		238,385.	5,385.
c	380.			380.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				18,947.
b				5,385.
c				380.
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** 24,712.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 **3** N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	28,518.	538,649.	.052944
2009	23,250.	205,603.	.113082
2008	7,832.	231,830.	.033783
2007	0.	123,415.	.000000
2006			

2 **Total** of line 1, column (d)	2	.199809
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.049952
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	775,768.
5 Multiply line 4 by line 3	5	38,751.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	467.
7 Add lines 5 and 6	7	39,218.
8 Enter qualifying distributions from Part XII, line 4	8	41,242.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b		1	467.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3	Add lines 1 and 2		3	467.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5	**Tax based on investment income** Subtract line 4 from line 3. If zero or less, enter -0-		5	467.
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	0.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	467.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ ND			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE FOUNDATION Telephone no. ▶ 701-780-0902

Located at ▶ PO BOX 13662, GRAND FORKS, ND ZIP+4 ▶ 58208

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b | |

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b | |

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
HAROLD GERSHMAN PO BOX 13662 GRAND FORKS, ND 58208	PRESIDENT 1.00	0.	0.	0.
KATHY GERSHMAN PO BOX 13662 GRAND FORKS, ND 58208	SECRETARY 1.00	0.	0.	0.
LEONORA GERSHMAN 3333 MADERA AVE LOS ANGELES, CA 90039	TREASURER 1.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	752,015.
b	Average of monthly cash balances		1b	35,567.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	787,582.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	787,582.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	11,814.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	775,768.
6	**Minimum investment return.** Enter 5% of line 5		6	38,788.

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

1	Minimum investment return from Part X, line 6		1	38,788.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 467.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	467.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	38,321.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	38,321.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	38,321.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	41,242.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	41,242.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	467.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	40,775.

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

Part XIII **Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				38,321.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009 9,488.				
e From 2010 2,192.				
f **Total** of lines 3a through e	11,680.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 41,242.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				38,321.
e Remaining amount distributed out of corpus	2,921.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	14,601.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	14,601.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009 9,488.				
d Excess from 2010 2,192.				
e Excess from 2011 2,921.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 14

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ALTRU HEALTH FOUNDATION PO BOX 6002 GRAND FORKS, ND 58206-6002	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	500.
ATLANTIC THEATRE CO 76 NINTH AVE, SUITE 537 NEW YORK, NY 10011	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
B'NAI ISRAEL SYNAGOGUE PO BOX 14122 GRAND FORKS, ND 58208-4122	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	500.
EMPIRE ARTS CENTER 415 DEMERS AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	SPECIAL PROGRAM EXPENSES	3,225.
EMPIRE ARTS CENTER 415 DEMERS AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	38,700.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	10,629.	
4 Dividends and interest from securities			14	12,965.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	438.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		24,032.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 24,032.

(See worksheet in line 13 instructions to verify calculations.)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee — Date: 4/03/12 — Title: DIRECTOR, PRESIDENT

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
SCOTT STINAR	Scott Stinar CPA	4/3/12		P00028625

Firm's name ▶ BRADY, MARTZ AND ASSOCIATES, P.C. — Firm's EIN ▶ 45-0310328

Firm's address ▶ P.O. BOX 14296 GRAND FORKS, ND 58208-4296 — Phone no. 701-775-4685

123622
12-02-11

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization	**Employer identification number**
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

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

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

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

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

Name of organization
THE HAL AND KATHLEEN GERSHMAN FOUNDATION

Employer identification number
26-1584651

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HAROLD AND KATHLEEN GERSHMAN 517 REEVES DRIVE GRAND FORKS, ND 58201	$ 153,855.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

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

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

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

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

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

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

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

Name of organization	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns **(a)** through **(e)** and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

THE HAL AND KATHLEEN GERSHMAN FOUNDATION 26-1584651

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
GRAND FORKS MASTER CHORALE PO BOX 12272 GRAND FORKS, ND 58208-2272	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	175.
GRAND FORKS PARK DISTRICT 1210 7TH AVE S GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	RIVERSIDE POOL	2,000.
GRAND FORKS PUBLIC SCHOOLS FOUNDATION FOR EDUCATION PO BOX 5475 GRAND FORKS, ND 58206	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
GRAND FORKS PUBLIC SCHOOLS FOUNDATION FOR EDUCATION PO BOX 5475 GRAND FORKS, ND 58206-5475	NONE	PUBLIC CHARITY	MUSICAL INSTRUMENTS	6,000.
GREATER GRAND FORKS SYMPHONY ORCHESTRA 415 DEMERS AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	1,000.
MAYO CLINIC - DEPARTMENT OF DEVELOPMENT 200 FIRST STREET SW ROCHESTER, MN 55905-0001	NONE	PUBLIC CHARITY	ASK MAYO EXPERT PROGRAM	5,000.
NORTH DAKOTA BALLET COMPANY 1726 SOUTH WASHINGTON ST GRAND FORKS, ND 58206	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	1,000.
NORTH DAKOTA MUSEUM OF ART 261 CENTENNIAL DRIVE GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
NORTH VALLEY ARTS COUNCIL PO BOX 12204 GRAND FORKS, ND 58208-2204	NONE	PUBLIC CHARITY	PROGRAMMING SUPPORT	1,000.
NORTHLAND RESCUE MISSION 420 DIVISION AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	4,000.
Total from continuation sheets				31,975.

THE HAL AND KATHLEEN GERSHMAN FOUNDATION 26-1584651

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
PMC 49 MONMOUTH ST QUINCY, MA 02171	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	300.
THIRD STREET CLINIC 311 S 4TH STREET GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	500.
UNITED AFRICAN COMMUNITY 2750 GATEWAY DR, STE C GRAND FORKS, ND 58203	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	1,000.
UNITED WAY OF GRAND FORKS EAST GRAND FORKS & AREA 1407 24TH AVE S GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	5,000.
UNIVERSITY OF NORTH DAKOTA FOUNDATION 3100 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
UNIVERSITY OF NORTH DAKOTA FOUNDATION 3100 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	EDUCATIONAL MUSIC AND MARKETING	2,000.
Total from continuation sheets				

ALERUS FINANCIAL NA
Start Date 01/01/2011
End Date 12/31/2011
Realized Gain/Loss Report

HAL AND KATHY GERSHMAN FAMILY FD

Description	Sold	Acquired	Proceeds	Cost	Gain/Loss	Covered
** SHORT TERM CAPITAL GAIN (LOSS)						
353 98 UNITS OF FEDERAL HOME LOAN MTG CORP POO	1/19/2011	12/16/2010	353 98	357 63	-3 65	
168 97 UNITS OF FEDERAL HOME LOAN MTG CORP POO	2/16/2011	12/16/2010	168 97	170 71	-1 74	
251 79 UNITS OF FEDERAL HOME LOAN MTG CORP POO	3/16/2011	12/16/2010	251 79	254 39	-2 6	
55 SHARES OF MERCK & CO INC NEW	3/17/2011	6/24/2010	1,720.47	1,955 48	-235 01	
75 SHARES OF MERCK & CO INC NEW	3/17/2011	12/8/2010	2,346 09	2,660 25	-314 16	Non Covere
646 98 SHARES OF FEDERATED ULTRASHORT BOND FUN	3/22/2011	3/14/2011	5,965 15	5,965 16	-0 01	
1153 851 SHARES OF FEDERATED INTERMEDIATE CORPC	3/29/2011	4/20/2010	11,676 97	11,561.59	115 38	
933 794 SHARES OF FEDERATED ULTRASHORT BOND FUI	3/29/2011	12/15/2010	8,600 24	8,581.57	18 67	
508 66 SHARES OF FEDERATED ULTRASHORT BOND FUN	3/29/2011	3/14/2011	4,684.76	4,689 84	-5 08	
61 183 SHARES OF VANGUARD INTERNATIONAL EXPLOR	4/7/2011	4/20/2010	1,048 06	900	148 06	
61 691 SHARES OF VANGUARD INTERNATIONAL EXPLOR	4/7/2011	12/8/2010	1,056 77	1,000 00	56 77	
184 26 UNITS OF FEDERAL HOME LOAN MTG CORP POO	4/18/2011	12/16/2010	184 26	186 16	-1 9	
534.89 UNITS OF LB-UBS COMMERCIAL MORTGAGE TRU	4/18/2011	5/18/2010	534.89	558 46	-23.57	
325 019 SHARES OF BUFFALO SMALL CAP FD INC	4/26/2011	12/6/2010	9,188 28	8,200 23	988 05	
38 17 UNITS OF FEDERAL HOME LOAN MTG CORP POOL	5/17/2011	12/16/2010	38 17	38.56	-0.39	
1530.85 UNITS OF LB-UBS COMMERCIAL MORTGAGE TR	5/18/2011	5/18/2010	1,530 85	1,598.30	-67 45	
25 SHARES OF PG&E CORP	6/2/2011	12/8/2010	1,068 64	1,172 00	-103 36	Non Covere
20 SHARES OF ROCKWELL COLLINS INC	6/6/2011	12/8/2010	1,189.57	1,167 20	22.37	Non Covere
221.36 UNITS OF FEDERAL HOME LOAN MTG CORP POO	6/16/2011	12/16/2010	221.36	223 64	-2 28	
30 SHARES OF HEWLETT PACKARD COMPANY	7/6/2011	10/13/2010	1,086 93	1,265.34	-178 41	
15 SHARES OF KOHLS CORPORATION	7/6/2011	12/8/2010	776 71	815 01	-38.3	Non Covere
25 SHARES OF LIFE TECHNOLOGIES	7/6/2011	3/17/2011	1,310 00	1,252 05	57 95	Covered
35 SHARES OF CISCO SYSTEMS	7/6/2011	1/5/2011	541.53	730.28	-188 75	Covered
35 SHARES OF PROCTER & GAMBLE CO	7/6/2011	12/6/2010	2,269 72	834 05	1,435 67	
82 57 UNITS OF FEDERAL HOME LOAN MTG CORP POOL	7/18/2011	12/16/2010	82.57	83 42	-0 85	
146.33 UNITS OF FEDERAL HOME LOAN MTG CORP POO	8/16/2011	12/16/2010	146.33	147 84	-1 51	
70 SHARES OF HEWLETT PACKARD COMPANY	8/22/2011	10/13/2010	1,714 88	2,952.46	-1,237.58	
20 SHARES OF HEWLETT PACKARD COMPANY	8/22/2011	10/27/2010	489 96	842 49	-352.53	
120 SHARES OF BANK OF AMERICA CORPORATION	8/23/2011	12/8/2010	736.28	1,447 06	-710.78	Non Covere
110 SHARES OF BANK OF AMERICA CORPORATION	8/23/2011	7/6/2011	674 91	1,186 85	-511 94	Covered
218 76 UNITS OF FEDERAL HOME LOAN MTG CORP POO	9/16/2011	12/16/2010	218 76	221 02	-2 26	
1953 437 SHARES OF EATON VANCE FLOATING RATE FUI	9/22/2011	7/12/2011	16,936.30	17,620 00	-683 7	
104 383 SHARES OF EATON VANCE FLOATING RATE FUN	9/22/2011	8/17/2011	905	905 -		
10 SHARES OF AMAZON COM INC	9/22/2011	12/8/2010	2,255 47	1,762 90	492.57	Non Covere
5 SHARES OF APPLE COMPUTER INC	9/26/2011	12/6/2010	1,988.56	1,601.90	386 66	
217 845 SHARES OF VANGUARD SMALL CAP GROWTH IN	9/28/2011	4/26/2011	4,180 44	5,387.30	-1,206 86	
20 SHARES OF NORFOLK SOUTHN CORP	9/27/2011	7/6/2011	1,289 23	1,532 60	-243 37	Covered
55 SHARES OF LIFE TECHNOLOGIES	10/10/2011	3/17/2011	2,010 08	2,754.50	-744 42	Covered
566 30 UNITS OF FEDERAL HOME LOAN MTG CORP POO	10/18/2011	12/16/2010	566 3	572 14	-5.84	
10 SHARES OF CUMMINS INC	10/25/2011	6/6/2011	941 77	999 9	-58.13	Covered
10 SHARES OF CUMMINS INC	10/25/2011	7/6/2011	941 76	1,070 69	-128 93	Covered
14 238 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	11/2/2011	12/15/2010	128.57	131 56	-2 99	
36.551 SHARES OF PIMCO EMERGING LOCAL BOND INST	11/2/2011	12/15/2010	381 96	391 1	-9 14	
55 SHARES OF SELECT SECTOR SPDR TR INDL	11/1/2011	10/25/2011	1,789.51	1,815 22	-25 71	Covered
35 SHARES OF ADOBE SYSTEMS INC.	11/10/2011	7/6/2011	978 18	1,112.30	-134 12	Covered
323 01 UNITS OF FEDERAL HOME LOAN MTG ASSN POOI	11/16/2011	10/19/2011	323 01	339.87	-16.86	
457 58 UNITS OF FEDERAL HOME LOAN MTG CORP POO	11/16/2011	12/16/2010	457.58	462.3	-4.72	
127.37 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL	11/28/2011	10/20/2011	127.37	136 58	-9 21	
15 SHARES OF CHEVRONTEXACO CORP COM	12/9/2011	7/6/2011	1,564 47	1,573 47	-9	Covered
15 SHARES OF CHEVRONTEXACO CORP COM	12/9/2011	12/5/2011	1,564 47	1,148 70	415 77	Covered
150 SHARES OF PHILIP MORRIS	12/9/2011	12/5/2011	11,335 29	6,947 79	4,387.50	Covered
85 SHARES OF GENERAL MILLS INC	12/9/2011	12/5/2011	3,436 49	2,056 16	1,380.33	Covered
105 SHARES OF CVS CORP	12/9/2011	12/5/2011	4,025 71	2,355 15	1,670.56	Covered
20 SHARES OF EXXON MOBIL CORP COM	12/9/2011	7/6/2011	1,630 78	1,625 40	5.38	Covered
435 SHARES OF EXXON MOBIL CORP COM	12/9/2011	12/5/2011	35,469 43	29,021 67	6,447.76	Covered
385 SHARES OF INTEL CORPORATION	12/9/2011	12/5/2011	9,625 00	7,517 47	2,107.53	Covered
20 SHARES OF COVIDIEN PLC	12/9/2011	7/6/2011	886 78	1,078 97	-192 19	Covered
205 SHARES OF COVIDIEN PLC	12/9/2011	12/5/2011	9,089.53	7,291 85	1,797 68	Covered
55 SHARES OF MCDONALDS CORP COM	12/9/2011	12/5/2011	5,389.34	3,225 20	2,164 14	Covered
1408 97 SHARES OF FEDERATED ULTRASHORT BOND FUI	12/14/2011	12/15/2010	12,877 99	12,948 43	-70 44	
22.851 SHARES OF FEDERATED ULTRASHORT BOND FUN	12/14/2011	8/17/2011	208.86	210	-1 14	
1350 055 SHARES OF FEDERATED ULTRASHORT BOND FI	12/14/2011	11/7/2011	12,339.50	12,380 00	-40.5	
141 27 UNITS OF FEDERAL HOME LOAN MTG ASSN POOI	12/16/2011	10/19/2011	141 27	148 64	-7.37	
690 26 UNITS OF FEDERAL HOME LOAN MTG CORP POO	12/16/2011	12/16/2010	690 26	697.38	-7 12	
35 SHARES OF EMERSON ELECTRIC COMPANY	12/15/2011	12/9/2011	1,708 66	1,803 90	-95 24	Covered
25 SHARES OF PHILIP MORRIS	12/15/2011	12/5/2011	1,901.96	1,158 00	743.96	Covered
15 SHARES OF CHEVRONTEXACO CORP COM	12/15/2011	12/5/2011	1,493.97	1,148 70	345.27	Covered
30 SHARES OF MCDONALDS CORP COM	12/15/2011	12/5/2011	2,943.84	1,759 20	1,184 64	Covered
15 SHARES OF EMC CORPORATION	12/15/2011	7/6/2011	334.04	416 4	-82.36	Covered
50 SHARES OF COVIDIEN PLC	12/15/2011	12/5/2011	2,183 95	1,778.50	405 45	Covered
75 472 SHARES OF PIMCO EMERGING LOCAL BOND INST	12/21/2011	3/14/2011	762 27	800	-37 73	
38 845 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	12/21/2011	8/17/2011	346 89	350	-3 11	
373 3 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL I	12/28/2011	10/20/2011	373 3	400.31	-27 01	
** TOTAL SHORT TERM CAPITAL GAIN (LOSS)			220,402 99	201,456 19	18,946.80	

** LONG TERM CAPITAL GAIN (LOSS)

10 SHARES OF MONSANTO COMPANY	1/5/2011	7/21/2008	687 02	1,186.59	-499 57
15 SHARES OF MONSANTO COMPANY	1/5/2011	12/16/2009	1,030 52	1,238 08	-207 56
285 67 UNITS OF GOVERNMENT NATL MORTGAGE ASSN :	1/21/2011	8/12/2008	285 67	286.03	-0.36
10 SHARES OF ENTERGY CORPORATION NEW COMMON S	1/20/2011	4/3/2008	736 12	1,117 20	-381.08
10 SHARES OF ENTERGY CORPORATION NEW COMMON S	1/20/2011	12/16/2009	736 12	833.03	-96.91
1205.91 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 D	1/26/2011	1/5/2010	1,205 91	1,242 09	-36 18
727.22 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (.	1/26/2011	5/6/2008	727 22	714.72	12 5
260 42 UNITS OF GOVERNMENT NATL MORTGAGE ASSN '	2/23/2011	8/12/2008	260.42	260 75	-0.33
331 45 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (.	2/28/2011	5/6/2008	331 45	325 75	5.7
898 92 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	2/28/2011	1/5/2010	898 92	925.89	-26 97
200.14 UNITS OF GOVERNMENT NATL MORTGAGE ASSN	3/22/2011	8/12/2008	200 14	200 39	-0.25
115.107 SHARES OF FEDERATED INTERMEDIATE CORPOR,	3/22/2011	6/19/2009	1,169 49	1,060 14	109.35
192.091 SHARES OF FEDERATED INTERMEDIATE CORPOR,	3/22/2011	6/24/2009	1,951.64	1,773 00	178.64
2016 129 SHARES OF FEDERATED INTERMEDIATE CORPOI	3/22/2011	12/18/2009	20,483 87	20,000 00	483 87
1018.964 SHARES OF FEDERATED ULTRASHORT BOND FU	3/22/2011	12/18/2009	9,394 85	9,292.95	101 9
34.64 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (2.	3/28/2011	5/6/2008	34.64	34 04	0.6
466.64 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	3/28/2011	1/5/2010	466.64	480.64	-14
194.882 SHARES OF FEDERATED INTERMEDIATE CORPOR,	3/29/2011	6/19/2009	1,972 21	1,794.86	177.35
203 097 SHARES OF VANGUARD INTERNATIONAL EXPLOR	4/7/2011	4/3/2008	3,479 05	3,475 00	4.05
34 728 SHARES OF VANGUARD INTERNATIONAL EXPLORE	4/7/2011	6/19/2009	594 89	390	204.89
160.349 SHARES OF VANGUARD INTERNATIONAL EXPLOR	4/7/2011	12/18/2009	2,746.78	2,200.00	546.78
35 SHARES OF INTERNATIONAL GAME TECHNOLOGY INC	4/13/2011	2/9/2010	552.3	627.5	-75 2
70 SHARES OF INTERNATIONAL GAME TECHNOLOGY INC	4/13/2011	3/17/2010	1,104.59	1,202.71	-98.12
100 SHARES OF ACTIVISION BLIZZARD INC	4/15/2011	12/17/2009	1,117 51	1,086 52	30.99
225 3 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 1!	4/21/2011	8/12/2008	225 3	225 58	-0.28
975.68 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (.	4/26/2011	5/6/2008	975.68	958 91	16.77
452.86 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	4/26/2011	1/5/2010	452 86	466 45	-13 59
75 568 SHARES OF BUFFALO SMALL CAP FD INC	4/26/2011	12/18/2009	2,136 31	1,662 51	473.8
35 SHARES OF EMC CORPORATION	5/4/2011	4/3/2008	952.8	525.88	426 92
25000 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN 4	5/13/2011	4/14/2008	26,140 00	26,708 14	-568.14
70 SHARES OF MEDCO HEALTH SOLUTIONS INC	5/13/2011	4/19/2010	4,509.18	4,333 21	175.97
112.17 UNITS OF GOVERNMENT NATL MORTGAGE ASSN	5/23/2011	8/12/2008	112.17	112.31	-0.14
32.76 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (2.	5/26/2011	5/6/2008	32.76	32.2	0.56
257 08 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	5/26/2011	1/5/2010	257 08	264.79	-7.71
25 SHARES OF PG&E CORP	6/2/2011	12/28/2009	1,068.64	1,140.36	-71.72
10 SHARES OF CLOROX COMPANY CO	6/9/2011	4/9/2009	671.6	536.16	135 44
15 SHARES OF CLOROX COMPANY CO	6/9/2011	12/16/2009	1,007 40	939 58	67 82
15 SHARES OF GENERAL DYNAMICS	6/9/2011	4/14/2009	1,060 67	661 43	399.24
5 SHARES OF GENERAL DYNAMICS	6/9/2011	12/9/2009	353 55	205 75	147 80
8892 29 UNITS OF LB-UBS COMMERCIAL MORTGAGE TRU	6/20/2011	5/18/2010	8,892.29	9,284.11	-391.82
100 SHARES OF STAPLES INC	6/16/2011	12/9/2009	1,513.77	246 00	1,267.77
156.94 UNITS OF GOVERNMENT NATL MORTGAGE ASSN	6/21/2011	8/12/2008	156.94	157.14	-0.2
29.76 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (2.	6/28/2011	5/6/2008	29 76	29 25	0.51
254.39 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	6/28/2011	1/5/2010	254.39	262.02	-7.63
35 SHARES OF AT&T INC	7/6/2011	4/3/2008	1,092.02	1,370 17	-278.15
20 SHARES OF PEABODY ENERGY CORP	7/6/2011	12/16/2009	1,205.00	898 77	306.23
45 SHARES OF PRINCIPAL FINANCIAL GROUP	7/6/2011	12/10/2009	1,342.78	1,052 77	290.01
20 SHARES OF KOHLS CORPORATION	7/6/2011	1/7/2010	1,035 62	1,060.92	-25.3
10 SHARES OF APPLE COMPUTER INC	7/6/2011	12/16/2009	3,533 13	1,960 53	1,572 60
45 SHARES OF UNITED TECHNOLOGIES CORPORATION	7/6/2011	4/19/2010	4,065 71	1,022.40	3,043.31
15 SHARES OF EXPEDITORS INTERNATL OF WASH INC	7/6/2011	8/19/2008	789 75	530.87	258.88
10 SHARES OF EXPEDITORS INTERNATL OF WASH INC	7/6/2011	12/16/2009	526.5	351.79	174.71
5 SHARES OF AMAZON COM INC	7/6/2011	6/16/2010	1,069 63	635.73	433.9
40 SHARES OF CISCO SYSTEMS	7/6/2011	6/25/2010	618.89	897 16	-278 27
15 SHARES OF PRAXAIR INC	7/6/2011	4/19/2010	1,636.31	260 45	1,375.86
40 SHARES OF AMERICAN EXPRESS COMPANY	7/6/2011	4/19/2010	2,101.55	690 26	1,411 29
66 SHARES OF JP MORGAN CHASE & CO	7/6/2011	4/19/2010	2,666 34	1,087.02	1,579.32
25 SHARES OF TEVA PHARMACEUTICAL INDUSTRIES	7/6/2011	4/19/2010	1,225 01	737 25	487.76
12798 76 UNITS OF LB-UBS COMMERCIAL MORTGAGE TR	7/18/2011	5/18/2010	12,798.76	13,362.70	-563.94
90.32 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 1!	7/21/2011	8/12/2008	90.32	90.43	-0.11
537 02 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (.	7/26/2011	5/6/2008	537.02	527.79	9.23
390.69 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DA	7/26/2011	1/5/2010	390.69	402.41	-11.72
123.084 SHARES OF PIMCO EMERGING LOCAL BOND INST	8/17/2011	4/20/2010	1,365 00	1,291.15	73.85
1243.21 UNITS OF LB-UBS COMMERCIAL MORTGAGE TRU	8/18/2011	5/18/2010	1,243.21	1,297.99	-54.78
89.96 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 1!	8/23/2011	8/12/2008	89.96	90.07	-0 11
60 SHARES OF VANGUARD MID CAP VALUE ETF	8/19/2011	4/19/2010	2,807.56	3,004 68	-197.12
50 SHARES OF BANK OF AMERICA CORPORATION	8/23/2011	7/20/2009	306.78	615	-308.22
-100 SHARES OF BANK OF AMERICA CORPORATION	8/23/2011	12/16/2009	613.56	1,542.91	-929.35

35 SHARES OF BANK OF AMERICA CORPORATION	8/23/2011	3/25/2010	214.74	638.17	-423.43
813.04 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (	8/26/2011	5/6/2008	813.04	799.07	13.97
487.02 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 D/	8/26/2011	1/5/2010	487.02	501.63	-14.61
87.74 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 1	9/21/2011	8/12/2008	87.74	87.85	-0.11
5 SHARES OF AMAZON.COM INC	9/22/2011	6/16/2010	1,127.73	635.73	492
188.71 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (	9/27/2011	5/6/2008	188.71	185.47	3.24
667.27 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 D/	9/27/2011	1/5/2010	667.27	687.29	-20.02
299.727 SHARES OF DIMENSIONAL US SMALL CAP VALUE	9/28/2011	4/19/2010	6,126.42	7,052.58	-926.16
25 SHARES OF COGNIZANT TECH SOLUTIONS CORP	9/27/2011	4/19/2010	1,683 63	1,329.22	354.41
20 SHARES OF CHEVRONTEXACO CORP COM	9/27/2011	4/3/2008	1,883.29	1,760.60	122.69
243.807 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	10/19/2011	12/18/2009	2,155.25	2,140.63	14.62
546.448 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	10/19/2011	4/20/2010	4,830 60	5,000.00	-169.4
304.472 SHARES OF PIMCO EMERGING LOCAL BOND INS	10/19/2011	12/18/2009	3,163.46	2,996.00	167.46
344.028 SHARES OF PIMCO EMERGING LOCAL BOND INS	10/19/2011	4/20/2010	3,574.45	3,608.85	-34.4
156.95 UNITS OF GOVERNMENT NATL MORTGAGE ASSN	10/21/2011	8/12/2008	156.95	157.15	-0.2
29.22 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (2	10/26/2011	5/6/2008	29.22	28.72	0.5
699.81 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 D/	10/26/2011	1/5/2010	699.81	720.8	-20.99
394.764 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	10/28/2011	12/18/2009	3,600.25	3,466.03	134.22
13.935 SHARES OF PIMCO EMERGING LOCAL BOND INST	10/28/2011	6/24/2009	150.08	122.63	27.45
305.284 SHARES OF PIMCO EMERGING LOCAL BOND INS	10/28/2011	12/18/2009	3,287.91	3,004.00	283.91
386.486 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 10	11/2/2011	12/18/2009	3,489.97	3,393.34	96.63
288.338 SHARES OF PIMCO EMERGING LOCAL BOND INS	11/2/2011	6/24/2009	3,013.13	2,537.37	475.76
20 SHARES OF TRANSOCEAN SWITZ	11/10/2011	12/9/2009	990.38	961.60	28.78
20 SHARES OF ADOBE SYSTEMS INC.	11/10/2011	4/3/2008	558.96	748.37	-189.41
30 SHARES OF ADOBE SYSTEMS INC.	11/10/2011	7/10/2009	838.43	830.05	8.38
87.92 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 1	11/22/2011	8/12/2008	87.92	88.03	-0 11
1011 78 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 C	11/28/2011	1/5/2010	1,011.78	1,042.13	-30.35
21.94 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (2	11/28/2011	5/6/2008	21.94	21.56	0.38
5 SHARES OF CHEVRONTEXACO CORP COM	12/9/2011	4/3/2008	521.49	440.15	81 34
10 SHARES OF CHEVRONTEXACO CORP COM	12/9/2011	12/16/2009	1,042.98	784.27	258.71
25 SHARES OF CHEVRONTEXACO CORP COM	12/9/2011	12/8/2010	2,607.45	2,157.25	450.2
20 SHARES OF PHILIP MORRIS	12/9/2011	9/18/2008	1,511.37	1,031.30	480.07
15 SHARES OF PHILIP MORRIS	12/9/2011	12/16/2009	1,133.53	759.87	373.66
40 SHARES OF PHILIP MORRIS	12/9/2011	12/8/2010	3,022.75	2,374.80	647.95
30 SHARES OF GENERAL MILLS INC	12/9/2011	12/16/2009	1,212 88	1,041.43	171.45
55 SHARES OF GENERAL MILLS INC	12/9/2011	12/8/2010	2,223 61	1,952.50	271.11
30 SHARES OF CVS CORP	12/9/2011	4/3/2008	1,150.20	1,197.57	-47.37
40 SHARES OF CVS CORP	12/9/2011	12/8/2010	1,533.60	1,334.00	199.6
50 SHARES OF EXXON MOBIL CORP COM	12/9/2011	12/9/2009	4,076.95	3,640.65	436.3
45 SHARES OF EXXON MOBIL CORP COM	12/9/2011	12/8/2010	3,669 25	3,240.90	428.35
65 SHARES OF INTEL CORPORATION	12/9/2011	2/3/2010	1,625.00	1,283.69	341.31
150 SHARES OF INTEL CORPORATION	12/9/2011	12/8/2010	3,750.00	3,283.28	466.72
5 SHARES OF COVIDIEN PLC	12/9/2011	1/20/2009	221.7	180.12	41.58
20 SHARES OF COVIDIEN PLC	12/9/2011	12/16/2009	886.78	940.54	-53.76
15 SHARES OF MCDONALDS CORP COM	12/9/2011	12/16/2009	1,469.82	945.75	524.07
15 SHARES OF MCDONALDS CORP COM	12/9/2011	12/8/2010	1,469.82	1,181.70	288.12
12.58 SHARES OF FEDERATED ULTRASHORT BOND FUND	12/14/2011	4/23/2010	114.98	115.36	-0.38
25 SHARES OF COGNIZANT TECH SOLUTIONS CORP	12/15/2011	4/19/2010	1,642.96	667.75	975.21
10 SHARES OF BARD C R INC COM	12/15/2011	8/15/2008	868.08	935.81	-67.73
10 SHARES OF BARD C R INC COM	12/15/2011	12/8/2010	868.08	859.5	8.58
65 SHARES OF JP MORGAN CHASE & CO	12/15/2011	4/19/2010	2,072.16	1,070.55	1,001.61
100 SHARES OF GENERAL ELECTRIC COMPANY	12/15/2011	12/8/2010	1,675.01	1,710.89	-35.88
5 SHARES OF EMC CORPORATION	12/15/2011	4/3/2008	111.35	75.12	36.23
60 SHARES OF EMC CORPORATION	12/15/2011	7/10/2009	1,336.18	774.5	561.68
65 SHARES OF MICROSOFT CORPORATION	12/15/2011	12/9/2009	1,667.21	1,924.39	-257.18
20 SHARES OF BAXTER INTERNATIONAL INC	12/15/2011	4/3/2008	969.78	1,200.53	-230.75
15 SHARES OF BAXTER INTERNATIONAL INC	12/15/2011	12/16/2009	727.33	887.38	-160.05
96.4 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19	12/21/2011	8/12/2008	96.4	96.52	-0.12
253.169 SHARES OF PIMCO EMERGING LOCAL BOND INS	12/21/2011	12/15/2010	2,557.00	2,708.90	-151.9
364.55 SHARES OF PIMCO HIGH YIELD INTSTL FUND# 108	12/21/2011	12/15/2010	3,255.43	3,368.44	-113.01
518.29 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (	12/28/2011	5/6/2008	518.29	509.38	8.91
1098.59 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 C	12/28/2011	1/5/2010	1,098.59	1,131.55	-32.96
** TOTAL LONG TERM CAPITAL GAIN (LOSS)			243,770.31	238,384.94	5,385.37

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
ALERUS-DETAIL ATTACHED	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
220,403.	225,730.	0.	0.	<5,327.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
ALERUS-DETAIL ATTACHED	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
243,770.	238,385.	0.	0.	5,385.

CAPITAL GAINS DIVIDENDS FROM PART IV	380.
TOTAL TO FORM 990-PF, PART I, LINE 6A	438.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
ALERUS FINANCIAL	8,402.
U.S. TREASURY	2,227.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	10,629.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ALERUS FINANCIAL	13,345.	380.	12,965.
TOTAL TO FM 990-PF, PART I, LN 4	13,345.	380.	12,965.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	248.	0.		248.
TO FM 990-PF, PG 1, LN 16A	248.	0.		248.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	1,890.	0.		1,890.
TO FORM 990-PF, PG 1, LN 16B	1,890.	0.		1,890.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUSTEE FEES	2,022.	1,618.		404.
TO FORM 990-PF, PG 1, LN 16C	2,022.	1,618.		404.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	6.	6.		0.
FOUNDATION EXCISE TAX	303.	0.		0.
TO FORM 990-PF, PG 1, LN 18	309.	6.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - US FEDERAL SECURITIES	X		25,018.	26,283.
ALERUS FINANCIAL - US TREASURY NOTE	X		110,945.	119,461.
TOTAL U.S. GOVERNMENT OBLIGATIONS			135,963.	145,744.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			135,963.	145,744.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - EQUITIES	511,451.	502,090.
TOTAL TO FORM 990-PF, PART II, LINE 10B	511,451.	502,090.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - CORPORATE BONDS	77,345.	81,153.
TOTAL TO FORM 990-PF, PART II, LINE 10C	77,345.	81,153.

FORM 990-PF MORTGAGE LOANS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL-MORTGAGE BACKED BONDS	104,838.	108,481.
TOTAL TO FORM 990-PF, PART II, LINE 12	104,838.	108,481.

FORM 990-PF OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL-MUTUAL FUND BONDS	COST	21,548.	21,621.
TOTAL TO FORM 990-PF, PART II, LINE 13		21,548.	21,621.

FORM 990-PF OTHER ASSETS STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INTEREST & DIVIDENDS RECEIVABLE	1,019.	22.	22.
PREPAID FEDERAL TAX	84.	0.	0.
TO FORM 990-PF, PART II, LINE 15	1,103.	22.	22.

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT 14

NAME OF MANAGER

HAROLD GERSHMAN
KATHY GERSHMAN