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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
TERHULY FOUNDATION
C/O HUGH K. SCHILLING

A Employer identification number
41-1818562

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
2565 WALNUT STREET

B Telephone number
651-361-6400

City or town, state, and ZIP code
ROSEVILLE, MN 55113

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)* ▶$ 3,153,567.

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			N/A	
2	Check ▶ ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	126.	126.		STATEMENT 1
4	Dividends and interest from securities	79,462.	79,468.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	33,975.			
b	Gross sales price for all assets on line 6a 1,589,365.				
7	Capital gain net income (from Part IV, line 2)		33,975.		
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	113,563.	113,569.		
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				
b	Accounting fees STMT 3	4,625.	2,313.		2,312.
c	Other professional fees STMT 4	36,351.	36,351.		0.
17	Interest				
18	Taxes STMT 5	1,515.	365.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 6	330.	305.		25.
24	**Total operating and administrative expenses.** Add lines 13 through 23	42,821.	39,334.		2,337.
25	Contributions, gifts, grants paid	129,000.			129,000.
26	**Total expenses and disbursements.** Add lines 24 and 25	171,821.	39,334.		131,337.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	<58,258.>			
b	**Net investment income** (if negative, enter -0-)		74,235.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Form **990-PF** (2011)

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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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	119,203.	348,960.	348,960.
	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			
	b	Investments - corporate stock			
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 9	2,961,035.	2,696,497.	2,804,607.
	14	Land, buildings, and equipment: basis ▶ Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	3,080,238.	3,045,457.	3,153,567.
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 ▶ ☒ 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	3,080,238.	3,045,457.	
	30	**Total net assets or fund balances**	3,080,238.	3,045,457.	
	31	**Total liabilities and net assets/fund balances**	3,080,238.	3,045,457.	

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	3,080,238.
2	Enter amount from Part I, line 27a	2	<58,258.>
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	24,418.
4	Add lines 1, 2, and 3	4	3,046,398.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	941.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,045,457.

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,589,149.		1,555,390.	33,759.
b	216.			216.
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				33,759.
b				216.
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	33,975.
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	126,305.	3,155,867.	.040022
2009	153,544.	2,852,658.	.053825
2008	193,116.	3,627,120.	.053242
2007	227,370.	4,367,330.	.052062
2006	232,873.	4,253,298.	.054751

2	**Total** of line 1, column (d)	2	.253902
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	.050780
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,300,340.
5	Multiply line 4 by line 3	5	167,591.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	742.
7	Add lines 5 and 6	7	168,333.
8	Enter qualifying distributions from Part XII, line 4	8	131,337.

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	1,485.
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	1,485.
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	1,485.
6	Credits/Payments:				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,000.		
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	1,000.
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	485.
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)? *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.*	1b		X
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) ▶ MN			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? 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 ▶ HUGH SCHILLING Telephone no. ▶ 651-361-6400

Located at ▶ 2565 WALNUT STREET, ROSEVILLE, MN ZIP+4 ▶ 55113

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** | Yes: | No:

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		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 NOT APPLICABLE	0.
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 NOT APPLICABLE	0.
2	
All other program-related investments. See instructions. 3 NOT APPLICABLE	0.
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	2,933,793.
b	Average of monthly cash balances		1b	416,806.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,350,599.
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	3,350,599.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	50,259.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,300,340.
6	**Minimum investment return.** Enter 5% of line 5		6	165,017.

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	165,017.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 1,485.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	1,485.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	163,532.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	163,532.
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	163,532.

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	131,337.
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	131,337.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	131,337.

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				163,532.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			75,805.	
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				
e From 2010				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 131,337.				
a Applied to 2010, but not more than line 2a			75,805.	
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				55,532.
e Remaining amount distributed out of corpus	0.			
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	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 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				108,000.
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	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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).)

HUGH K. SCHILLING, SR.

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 ▶ ☒ 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*				
ACCESSABILITY 360 HOOVER STREET NE MINNEAPOLIS, MN 55413	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
AMERICAN RED CROSS 1201 WEST RIVER PARKWAY MINNEAPOLIS, MN 55454	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	10,000.
ANIMAL HUMANE SOCIETY 845 MEADOW LANE NO MINNEAPOLIS, MN 55422	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
BIG BROTHERS BIG SISTERS 2550 UNIVERSITY AVE #410N ST. PAUL, MN 55114	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
BOYS & GIRLS CLUB 6500 NICOLLET AVE SO #201 MINNEAPOLIS, MN 55423-1674	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	129,000.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Form **990-PF** (2011)

123611 12-02-11

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu-sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	126.	
4 Dividends and interest from securities			14	79,462.	
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	33,975.	
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.		113,563.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 113,563.

(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

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

Signature of officer or trustee | Date 5-11-12 | Title PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KATHLEEN O. SCHROEDER	Kathleen O. Schroeder	5/10/12		P00092667

Firm's name ▶ MCGLADREY LLP

Firm's EIN ▶ 42-0714325

Firm's address ▶ 801 NICOLLET MALL, SUITE 1100
MINNEAPOLIS, MN 55402

Phone no. 612-332-4300

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
BOY SCOUTS NORTHERN STAR COUNCIL 393 MARSHALL AVE ST. PAUL, MN 55102	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
BRITTON HEKLA SCHOOL DISTRICT PO BOX 190, 759 FIFTH STREET BRITTON, SD 57430-0190	NONE	PUBLIC CHARITY	SCHILLING FIELD	25,000.
CHILDREN'S HOME SOCIETY & FAMILY SERVICE 1605 EUSTIS STREET ST. PAUL, MN 55108	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	3,000.
CONCORDIA LANGUAGE VILLAGE CONCORDIA COLLEGE, 901 8TH STREET SO MOORHEAD, MN 56562	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
DEEP PORTAGE CONSERVATION RESERVE 2197 NATURE DRIVE HACKENSACK, MN 56452	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
DODGE NATURE CENTER 365 MARIE AVE W WEST ST. PAUL, MN 55118	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
EAGLE BLUFF 28097 GOODVIEW DRIVE LANSBORO, MN 55949	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
EMERGENCY FOOD NETWORK 8501 54TH AVE NO NEW HOPE, MN 55428	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	7,000.
FRIENDS OF MINNESOTA 1365 ENGLEWOOD AVE ST. PAUL, MN 55104	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
GIRL SCOUT COUNCIL OF MN AND WI 400 ROBERT ST SO ST. PAUL, MN 55107	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
Total from continuation sheets				113,000.

TERHULY FOUNDATION
C/O HUGH K. SCHILLING
41-1818562

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
NATIONAL ALLIANCE FOR MENTALLY ILL (NAMI) PO BOX 300 RED WING, MN 55066	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	4,000.
GREAT RIVER GREENING 35 WEST WATER ST #201 ST. PAUL, MN 55107	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
HAZELDEN PO BOX 64348 ST. PAUL, MN 55164-9677	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
HOPE ACADEMY 2300 CHICAGO AVE SOUTH MINNEAPOLIS, MN 55404	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
INTERNATIONAL MUSIC CAMP 111 11TH AVE SW MINOT, ND 58701-4693	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
JUNIOR ACHIEVEMENT (UPPER MIDWEST) 1800 WHITE BEAR AVE NO MAPLEWOOD, MN 55109	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
LEAGUE OF WOMEN VOTERS 1730 M STREET NW, SUITE 1000 WASHINGTON, DC 20036-4508	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
LONG LAKE CONSERVATION CENTER 28952 438TH LANE PALISADE, MN 56469	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
MINNEAPOLIS ACADEMY 5011 31ST AVE SO MINNEAPOLIS, MN 55417	NONE	PUBLIC CHARITY	PROGRAM SUPPORT/CLOSE-UP PROGRAM	3,500.
MINNEAPOLIS CHILDREN'S MUSEUM 10 WEST 7TH ST ST. PAUL, MN 55102	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
Total from continuation sheets				

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
MINNESOTA HISTORICAL SOCIETY 345 KELLOGG BLVD WEST ST. PAUL, MN 55102	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
MINNESOTA STATE FAIR GROUND 1265 SNELLING AVE NO ST. PAUL, MN 55108	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	12,500.
MINNESOTA ZOO FOUNDATION 13000 ZOO BLVD APPLE VALLEY, MN 56124	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
PACER 8161 NORMANDALE BLVD BLOOMINGTON, MN 55437	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	3,000.
PRESBYTERIAN HOMES OF MN 2845 HAMLINE AVE NO, SUITE 200 ROSEVILLE, MN 55113	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	3,000.
REDWING ENVIRONMENTAL LEARNING CENTER 5354 TOWER VIEW DRIVE RED WING, MN 55066	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
REGIONAL HOSPICE SERVICES 2101 BEASER AVE ASHLAND, WI 54806	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	3,000.
ST. JOHN'S PREP SCHOOL BOX 4000 COLLEGEVILLE, MN 56321-4000	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	500.
ST. PAUL ACADEMY AND SUMMIT SCHOOL 1712 RANDOLPH AVE ST. PAUL, MN 55105	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
SALVATION ARMY OF THE TWIN CITIES 2445 PRIOR AVE ROSEVILLE, MN 55113-2714	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	7,500.
Total from continuation sheets				

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
SCIENCE MUSEUM OF MN 120 WEST KELLOGG BLVD ST. PAUL, MN 55102-1802	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
SEED ACADEMY/HARVEST PREP 1300 OLSON MEMORIAL HWY MINNEAPOLIS, MN 55411	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
UNION GOSPEL MISSION 77 NINTH STREET EAST ST. PAUL, MN 55101-2288	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	3,000.
UNITED THEOLOGICAL SEMINARY OF TWIN CITIES 3000 FIFTH STREET NW NEW BRIGHTON, MN 55112-2598	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
WOLF RIDGE 6282 CRANBERRY ROAD FINLAND, MN 55603	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	1,000.
YMCA CAMP LCAGHOWAN 899A 115TH STREET AMERY, WI 54001	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
YMCA CAMP WIDJIWAGAN 2125 E. HENNEPIN AVE MINNEAPOLIS, MN 55413	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
YMCA OF ST. PAUL 375 SELBY AVE ST. PAUL, MN 55102	NONE	PUBLIC CHARITY	PROGRAM SUPPORT	2,000.
Total from continuation sheets				

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MONEY MARKET FUND	108.
US BANK CHECKING	18.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	126.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS & INTEREST	79,678.	216.	79,462.
TOTAL TO FM 990-PF, PART I, LN 4	79,678.	216.	79,462.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,625.	2,313.		2,312.
TO FORM 990-PF, PG 1, LN 16B	4,625.	2,313.		2,312.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEE	36,351.	36,351.		0.
TO FORM 990-PF, PG 1, LN 16C	36,351.	36,351.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	365.	365.		0.
FEDERAL EXCISE TAX - PAID FOR 2010	150.	0.		0.
ESTIMATED EXCISE TAX PAID	1,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,515.	365.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MINNESOTA REGISTRATION FEE	25.	0.		25.
MISCELLANEOUS SUPPLIES	188.	188.		0.
ADR FEE	99.	99.		0.
BANK SERVICE CHARGE	18.	18.		0.
TO FORM 990-PF, PG 1, LN 23	330.	305.		25.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 7

DESCRIPTION	AMOUNT
PENDING TRADES CLEARING IN PRIOR/SUCCESSIVE YEARS	24,418.
TOTAL TO FORM 990-PF, PART III, LINE 3	24,418.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
ADJUSTMENT TO BEGINNING BASIS- NO TAX EFFECT	941.
TOTAL TO FORM 990-PF, PART III, LINE 5	941.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CITI SMITH BARNEY #13934	COST	609,442.	615,120.
CITI SMITH BARNEY #13937	COST	0.	0.
CITI SMITH BARNEY #13928	COST	2,001,091.	2,107,530.
CITI SMITH BARNEY #17248	COST	85,964.	81,957.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,696,497.	2,804,607.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HUGH K. SCHILLING, SR. 2565 WALNUT STREET ROSEVILLE, MN 55113	PRESIDENT 1.00	0.	0.	0.
MARGARET S. SCHILLING 2565 WALNUT STREET ROSEVILLE, MN 55113	DIRECTOR 0.50	0.	0.	0.
HUGH K. SCHILLING, JR. 2565 WALNUT STREET ROSEVILLE, MN 55113	TREASURER 0.50	0.	0.	0.
TERRY L SCHILLING GILBERSTADT 2565 WALNUT STREET ROSEVILLE, MN 55113	SECRETARY 3.00	0.	0.	0.
LYNN M. SCHILLING BROWN 2565 WALNUT STREET ROSEVILLE, MN 55113	VICE PRESIDENT 0.50	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

Ref: 00006755 00233654

MorganStanley
SmithBarney

Reserved
Client Statement
December 1 - December 31, 2011

TERHULY FOUNDATION ***Account number 243-13928-16***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Inc (annualized)
139	TRANSOCEAN LTD SWITZERLAND NEW	RIG	04/29/10	$ 10,951.13	$ 78.785	$ 38.39	$ 5,336.21	($ 5,614.92) LT		
900				**75,135.75**	**83.484**		**34,551.00**	**(40,584.75)**	**8.231**	**2,844.00**
390	AT&T INC	T	12/10/07	14,825.42	38.013	30.24	11,793.60	(3,031.82)*LT		
458			08/18/08	14,730.38	32.162	30.24	13,849 92	(880.46)*LT		
448			10/12/09	11,535.55	25.749	30.24	13,547.52	2,011.97 LT		
28			01/25/10	719.57	25.698	30.24	846.72	127.15 LT		
58			05/07/10	1,461.02	25.19	30.24	1,753.92	292.90 LT		
1,382				**43,271.94**	**31.311**		**41,791.68**	**(1,480.26)**	**5.82**	**2,432.32**
194	ALTRIA GROUP INC	MO	02/07/01	2,107.64	10.864	29.65	5,752.10	3,644.46* LT		
321			06/07/01	3,524.65	10.98	29.65	9,517.65	5,993.00* LT		
191			06/07/01	2,097.22	10.98	29.65	5,663.15	3,565.93* LT		
250			06/11/02	3,277.58	13.11	29.65	7,412.50	4,134.92* LT		
315			11/18/03	3,654.87	11.602	29.65	9,339.75	5,684.88* LT		
79			11/18/03	916.61	11.602	29.65	2,342.35	1,425.74* LT		
279			01/25/10	5,587.00	20.025	29.65	8,272.35	2,685.35 LT		
258			12/02/10	6,129.31	23.757	29.65	7,649.70	1,520.39 LT		
1,887				**27,294.88**	**14.465**		**55,949.55**	**28,654.67**	**5.531**	**3,094.68**
91	APACHE CORP	APA	02/20/02	2,196.57	24.138	90.58	8,242.78	6,046.21* LT		
610			06/10/02	15,616.50	25.60	90.58	55,253 80	39,637.30* LT		
103			03/26/10	10,150.08	98.544	90.58	9,329.74	(820.34) LT		
804				**27,963.15**	**34.78**		**72,826.32**	**44,863.17**	**.662**	**482.40**
58	APPLE INC	AAPL	01/28/10	11,669.93	201.205	405.00	23,490.00	11,820.07 LT		
71			05/06/10	17,729.36	249 709	405.00	28,755.00	11,025.64 LT		
52			07/13/10	13,219.80	254.227	405.00	21,060.00	7,840.20 LT		
48			07/13/10	12,202.90	254.227	405.00	19,440.00	7,237.10 LT		
72			08/24/10	17,329.15	240.682	405.00	29,160.00	11,830.85 LT		
301				**72,151.14**	**239.705**		**121,905.00**	**49,753.86**		
835	ARCHER-DANIELS-MIDLAND CO	ADM	11/03/10	25,909.55	31.029	28.60	23,881.00	(2,028.55) LT		
480			02/10/11	16,941.89	35.295	28.60	13,728.00	(3,213.89) ST		
162			02/23/11	5,828.50	35.978	28.60	4,633.20	(1,195.30) ST		

Reserved
Client Statement
December 1 - December 31, 2011

TERHULY FOUNDATION | **Account number 243-13928-16 724**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
480	BANK OF AMERICA CORP	BAC	04/16/10	$ 8,982.86	$ 18.714	$ 5.56	$ 2,668.80	($ 6,314.06) LT		
3,746				**114,074.47**	**30.452**		**20,827.76**	**(93,246.71)**	**.719**	**149.84**
769	CATERPILLAR INC	CAT	01/20/11	71,823.06	93.398	90.60	69,671.40	(2,151.66) ST		
259			05/17/11	26,550.87	102.513	90.60	23,465.40	(3,085.47) ST		
74			08/05/11	6,512.89	88.012	90.60	6,704.40	191.51 ST		
1,102				**104,886.82**	**95.179**		**99,841.20**	**(5,045.62)**	**2.03**	**2,027.68**
668	CENTURYLINK INC	CTL	04/07/11	**26,974.98**	40.381	37.20	**24,849.60**	**(2,125.38)** ST	**7.795**	**1,937.20**
412	CHEVRON CORP	CVX	09/23/09	29,655.10	71.978	106.40	43,836.80	14,181.70 LT		
140			06/08/10	9,844.41	70.317	106.40	14,896.00	5,051.59 LT		
552				**39,499.51**	**71.557**		**58,732.80**	**19,233.29**	**3.045**	**1,788.48**
6.7951	CITIGROUP INC	C	09/21/00	3,309.47	487.39	26.31	178.78	(3,130.69)*LT		
29.9783			10/06/00	14,981.64	500.111	26.31	788.73	(14,192.91)*LT		
29.9783			11/08/00	14,916.38	497.933	26.31	788.73	(14,127.65)*LT		
54.9602			01/29/01	28,688.50	522.365	26.31	1,446.00	(27,242.50)*LT		
.4996			05/05/04	243.52	487.79	26.31	13.14	(230.38)*LT		
1.8986			06/07/04	890.26	469.245	26.31	49.95	(840.31)*LT		
13.8899			05/16/08	3,216.91	231.768	26.31	365.44	(2,851.47)*LT		
138				**66,246.68**	**480.048**		**3,630.77**	**(62,615.91)**	**.152**	**5.52**
91	CONOCOPHILLIPS	COP	04/02/03	2,429.70	26.70	72.87	6,631.17	4,201.47* LT		
32			11/18/03	919.16	28.723	72.87	2,331.84	1,412.68* LT		
321			03/25/08	23,972.70	74.681	72.87	23,391.27	(581.43)*LT		
856			03/19/09	32,870.40	38.40	72.87	62,376.72	29,506.32 LT		
406			07/15/11	31,027.90	76.423	72.87	29,585.22	(1,442.68) ST		
1,706				**91,219.86**	**53.47**		**124,316.22**	**33,096.36**	**3.622**	**4,503.84**
403	CUMMINS INC	CMI	10/25/11	36,899.28	91.561	88.02	35,472.06	(1,427.22) ST		
268			11/29/11	23,950.25	89.366	88.02	23,589.36	(360.89) ST		
671				**60,849.53**	**90.685**		**59,061.42**	**(1,788.11)**	**1.817**	**1,073.60**
297	DEERE & CO	DE	02/23/11	26,513.04	89.269	77.35	22,972.95	(3,540.09) ST		
152			03/14/11	13,378.43	88.016	77.35	11,757.20	(1,621.23) ST		
331			05/20/11	28,113.42	84.934	77.35	25,602.85	(2,510.57) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Inc (annualized)
246	EMERSON ELECTRIC CO	EMR	11/27/06	$ 10,718.22	$ 43.57	$ 46.59	$ 11,461.14	$ 742.92* LT		
874				**31,942.92**	**36.548**		**40,719.66**	**8,776.74**	**3.434**	**1,398.40**
94	GENERAL ELECTRIC CO	GE	09/07/00	5,512.40	58.642	17.91	1,683.54	(3,828.86)*LT		
381			03/07/02	15,506.17	40.698	17.91	6,823.71	(8,682.46)*LT		
225			12/16/03	6,903.00	30.68	17.91	4,029.75	(2,873.25)*LT		
450			12/17/03	13,752.00	30.56	17.91	8,059.50	(5,692.50)*LT		
1,215			12/29/03	37,214.96	30.629	17.91	21,760.65	(15,454.31)*LT		
388			12/29/03	11,884.28	30.629	17.91	6,949.08	(4,935.20)*LT		
177			03/23/04	5,230.35	29.55	17.91	3,170.07	(2,060.28)*LT		
2,000			06/09/09	27,297.00	13.648	17.91	35,820.00	8,523.00 LT		
266			01/25/10	4,373.04	16.44	17.91	4,764.06	391.02 LT		
5,196				**127,673.20**	**24.571**		**93,060.36**	**(34,612.84)**	**3.786**	**3,533.28**
378	GOLDMAN SACHS GROUP INC	GS	10/16/09	70,452.24	186.381	90.43	34,182.54	(36,269.70) LT		
87			11/13/09	15,406.95	177.091	90.43	7,867.41	(7,539.54) LT		
19			01/25/11	3,069.68	161.562	90.43	1,718.17	(1,351.51) ST		
484				**88,928.87**	**183.737**		**43,768.12**	**(45,160.75)**	**1.548**	**677.60**
63	GOOGLE INC CLASS A	GOOG	01/11/10	**37,661.52**	597.801	645.90	**40,691.70**	**3,030.18** LT		
1,010	INTEL CORP	INTC	06/09/09	16,701.36	16.536	24.25	24,492.50	7,791.14 LT		
1,054			05/11/10	23,440.22	22.239	24.25	25,559.50	2,119.28 LT		
836			08/25/10	15,507.80	18.55	24.25	20,273.00	4,765.20 LT		
2,900				**55,649.38**	**19.189**		**70,325.00**	**14,675.62**	**3.463**	**2,436.00**
64	INTL BUSINESS MACHINES CORP	IBM	12/13/02	5,011.20	78 30	183.88	11,768.32	6,757.12* LT		
250			01/19/05	23,382.10	93.528	183.88	45,970.00	22,587.90* LT		
65			10/16/09	7,968.09	122.586	183.88	11,952.20	3,984.11 LT		
98			01/29/10	12,183.81	124.324	183.88	18,020.24	5,836.43 LT		
477				**48,545.20**	**101.772**		**87,710.76**	**39,165.56**	**1.631**	**1,431.00**
129	JPMORGAN CHASE & CO	JPM	02/03/10	5,205.22	40.35	33.25	4,289.25	(915.97) LT		
212			04/16/10	9,782.46	46.143	33.25	7,049.00	(2,733.46) LT		
280			11/04/10	10,692.64	38.188	33.25	9,310.00	(1,382.64) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
70	JOHNSON & JOHNSON	JNJ	06/06/03	$ 3,699.50	$ 52.85	$ 65.58	$ 4,590.60	$ 891.10* LT		
34			04/21/04	1,825.46	53.69	65.58	2,229.72	404.26* LT		
858				**48,431.16**	**56.447**		**56,267.64**	**7,836.48**	**3.476**	**1,856.24**
645	MCDONALDS CORP	MCD	07/24/09	36,357.55	56.368	100.33	64,712.85	28,355.30 LT		
59			11/09/10	4,656.59	78.925	100.33	5,919.47	1,262.88 LT		
704				**41,014.14**	**58.259**		**70,632.32**	**29,618.18**	**2.79**	**1,971.20**
708	THE MOSAIC COMPANY	MOS	11/17/11	**37,114.85**	52.422	50.43	**35,704.44**	**(1,410.41)** ST	**.396**	**141.60**
779	ORACLE CORP	ORCL	11/09/11	**25,181.41**	32.325	25.65	**19,981.35**	**(5,200.06)** ST	**.935**	**186.96**
941	PPL CORP	PPL	07/19/11	25,988.07	27.617	29.42	27,684.22	1,696.15 ST		
266			09/27/11	7,735.33	29.08	29.42	7,825.72	90.39 ST		
1,207				**33,723.40**	**27.94**		**35,509.94**	**1,786.54**	**4.758**	**1,689.80**
175	PEPSICO INC	PEP	05/09/05	9,846.74	56.267	66.35	11,611.25	1,764.51* LT		
488			07/26/06	30,832.67	63.181	66.35	32,378.80	1,546.13* LT		
102			08/18/09	5,785.37	56.719	66.35	6,767.70	982.33 LT		
32			01/25/10	1,930.00	60.312	66.35	2,123.20	193.20 LT		
310			07/21/11	20,298.58	65.479	66.35	20,568.50	269.92 ST		
196			09/20/11	11,840.01	60.408	66.35	13,004.60	1,164.59 ST		
1,303				**80,533.37**	**61.806**		**86,454.05**	**5,920.68**	**3.104**	**2,684.18**
1,960	PFIZER INC	PFE	07/07/11	39,792.90	20.302	21.64	42,414.40	2,621.50 ST		
888			12/20/11	18,843.36	21.22	21.64	19,216.32	372.96 ST		
2,848				**58,636.26**	**20.589**		**61,630.72**	**2,994.46**	**4.066**	**2,506.24**
574	PHILIP MORRIS INTL INC	PM	02/07/01	14,209.89	24.755	78.48	45,047.52	30,837.63* LT		
321			06/07/01	8,031.60	25.02	78.48	25,192.08	17,160.48* LT		
191			06/07/01	4,778.92	25.02	78.48	14,989.68	10,210.76* LT		
250			06/11/02	7,468.58	29.874	78.48	19,620.00	12,151.42* LT		
315			11/18/03	8,328.32	26.439	78.48	24,721.20	16,392.88* LT		
79			11/18/03	2,088.69	26.439	78.48	6,199.92	4,111.23* LT		
153			01/25/10	7,264.32	47.479	78.48	12,007.44	4,743.12 LT		
117			04/14/10	5,989.78	51.194	78.48	9,182.16	3,192.38 LT		
2,000				**58,160.10**	**29.08**		**156,960.00**	**98,799.90**	**3.924**	**6,160.00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Inc (annualized)
98	SCHLUMBERGER LTD	SLB	03/17/09	$ 4,052.59	$ 41.353	$ 68.31	$ 6,694.38	$ 2,641.79 LT		
123			03/25/10	7,631.78	62.047	68.31	8,402.13	770.35 LT		
823				**66,331.90**	**80.598**		**56,219.13**	**(10,112.77)**	**1.463**	**823.00**
869	SUNCOR ENERGY INC NEW	SU	03/21/11	**38,816.32**	44.667	28.83	**25,053.27**	**(13,763.05)** ST	**1.494**	**374.54**
203	UNITEDHEALTH GROUP INC	UNH	10/27/03	5,218.12	25.705	50.68	10,288.04	5,069.92* LT		
534			05/05/04	16,650.12	31.18	50.68	27,063.12	10,413.00* LT		
629			01/05/11	23,518.31	37.39	50.68	31,877.72	8,359.41 ST		
283			01/12/11	11,039.41	39.008	50.68	14,342.44	3,303.03 ST		
176			04/11/11	7,771.67	44.157	50.68	8,919.68	1,148.01 ST		
1,825				**64,197.63**	**35.177**		**92,491.00**	**28,293.37**	**1.282**	**1,186.25**
730	VERIZON COMMUNICATIONS	VZ	08/04/10	**21,337.90**	29.23	40.12	**29,287.60**	**7,949.70** LT	**4.985**	**1,460.00**
336	VISA INC COM CL A	V	11/07/11	**30,962.90**	92.151	101.53	**34,114.08**	**3,151.18** ST	**.866**	**295.68**
98	WELLS FARGO & CO NEW	WFC	01/08/01	2,541.87	25.937	27.56	2,700.88	159.01* LT		
200			06/11/02	5,038.00	25.19	27.56	5,512.00	474.00* LT		
300			12/12/02	6,964.50	23.215	27.56	8,268.00	1,303.50* LT		
112			09/09/03	2,850.74	25.453	27.56	3,086.72	235.98* LT		
108			09/09/03	2,748.93	25.453	27.56	2,976.48	227.55* LT		
404			06/02/09	9,893.15	24.488	27.56	11,134.24	1,241.09 LT		
30	Reinvestments to date			708.01 r	23.60	27.56	826.80	118.79 LT		
1,252				**30,745.20**	**24.557**		**34,505.12**	**3,759.92**	**1.741**	**600.96**
Total common stocks and options				**$ 2,001,090.52**			**$ 2,107,530.03**	**($ 19,563.35) ST**	**2.68**	
								$ 126,002.86 LT		**$ 56,524.91**
Total portfolio value				**$ 2,269,889.00**			**$ 2,376,328.51**	**($ 19,563.35) ST**	**2.37**	**$ 56,551.78**
								$ 126,002.86 LT		

*Based on information supplied by client or other financial institution, not verified by us.

r One or more reinvestments have been supplied by client or by your Financial Advisor.

SEPARATELY MANAGED ACCOUNTS

Consulting Group Investment Advisor Research (CG IAR) status codes (FL, AL or NL) may be shown for certain separately managed account managers. Please refer to "CG IAR Statuses in Investment Advisory Programs" at the end of this statement for a description of these status codes. All status codes represent the opinions of CG IAR and are not representations or guarantees of performance.

	Rating		Rating
Goldman Sachs - Mid Cap Value	FL		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/11, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold.

Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
3,761.87	MORGAN STANLEY AA MONEY TRUST	$ 3,761.87		.01%	$ .37
357.57	MORGAN STANLEY LIQUID ASSET FUND INC	$ 357.57		.01%	$ .03
Total money fund		**$ 4,119.44**	**$ 0.00**		**$ .40**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
12	BUNGE LIMITED	BG	11/18/11	$ 735.10	$ 61.258	$ 57.20	$ 686.40	($ 48.70) ST	1.748%	$ 12.00

TERHULY FOUNDATION **Account number 243-17248-10 724**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
10	COOPER INDUSTRIES PLC DUBLIN-USD	CBE	07/28/11	$ 546.90	$ 54.69	$ 54.15	$ 541.50	($ 5.40)	ST	2.142%	$ 11.60
18	EVEREST REINSURANCE GP LTD	RE	07/28/11	1,500 12	83 34	84.09	1,513.62	13.50	ST	2.283	34.56
39	INVESCO LTD	IVZ	07/28/11	879.84	22.56	20.09	783.51	(96.33)	ST	2.439	19.11
18	LAZARD LTD CLASS A	LAZ	08/03/11	567.54	31.53	26.11	469.98	(97.56)	ST	2.451	11.52
9	PARTNERRE LTD -BMD	PRE	07/28/11	609.93	67.77	64.21	577 89	(32.04)	ST	3.737	21.60
54	WARNER CHILCOTT PLC ORD CL A	WCRX	07/28/11	1,156.14	21.41	15.13	817.02	(339.12)	ST		
46	XL GROUP PLC	XL	07/28/11	971.06	21.11	19.77	909 42	(61 64)	ST	2.225	20.24
33	ADOBE SYSTEMS INC (DE)	ADBE	08/08/11	807.73	24.476	28 27	932.91	125.18	ST		
21	AETNA INC NEW	AET	07/28/11	904.05	43.05	42.19	885.99	(18.06)	ST	1.659	14.70
13	ALBEMARLE CORP	ALB	10/13/11	610.81	46.985	51.51	669.63	58.82	ST	1.358	9.10
13	ALEXANDRIA REAL EST EQUITIES	ARE	07/28/11	1,058.98	81.46	68.97	896.61	(162.37)	ST	2.841	25.48
9	ALLEGHENY TECHNOLOGIES INC	ATI	08/12/11	434 64	48.293	47.80	430.20	(4.44)	ST		
4			08/15/11	195.70	48.925	47.80	191.20	(4.50)	ST		
13				630.34	48.488		621.40	(8.94)		1.506	9.36
12	AMPHENOL CORP CLASS A	APH	07/28/11	590.52	49.21	45 39	544.68	(45.84)	ST	.132	.72
8	AVALONBAY CMNTYS INC	AVB	07/28/11	1,072.00	134.00	130.60	1,044 80	(27.20)	ST		
3			09/29/11	353.86	117.954	130.60	391.80	37.94	ST		
11				1,425.86	129 624		1,436 60	10.74		2.143	30.80
12	BMC SOFTWARE INC	BMC	07/28/11	538.80	44.90	32.78	393.36	(145.44)	ST		
17	BE AEROSPACE INC	BEAV	07/28/11	694.11	40.83	38.71	658.07	(36.04)	ST		
11			11/28/11	408.04	37.094	38.71	425.81	17.77	ST		
28				1,102.15	39.363		1,083.88	(18.27)			
31	W R BERKLEY CORP	WRB	07/28/11	987.04	31.84	34.39	1,066.09	79.05	ST	.93	9.92
223	BOSTON SCIENTIFIC CORP	BSX	07/28/11	1,652.43	7.41	5.34	1,190.82	(461.61)	ST		
4	CF INDUSTRIES HOLDINGS INC	CF	10/24/11	634.30	158 574	144 98	579 92	(54.38)	ST	1.103	6.40
26	CIT GROUP INC	CIT	07/28/11	1,055.86	40.61	34.87	906 62	(149.24)	ST		
41	CMS ENERGY CORP	CMS	07/28/11	800.73	19.53	22.08	905.28	104.55	ST	3.804	34.44

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
12	CAMDEN PROPERTY TRUST SBI	CPT	07/28/11	$ 805.32	$ 67.11	$ 62.24	$ 746.88	($ 58.44) ST	3.149%	$ 23.52
15	CAMERON INTERNATIONAL CORP	CAM	07/28/11	810.75	54.05	49.19	737.85	(72.90) ST		
8			11/28/11	393 26	49.157	49.19	393.52	.26 ST		
23				1,204 01	52.348		1,131.37	(72.64)		
20	CAVIUM INC	CAVM	11/29/11	603 99	30.199	28.43	568.60	(35 39) ST		
42	CHEMTURA CORP	CHMT	07/28/11	750 12	17.86	11.34	476.28	(273 84) ST		
26	COCA-COLA ENTERPRISES INC	CCE	07/28/11	739.96	28.46	25.78	670.28	(69.68) ST	2.017	13.52
25	COMERICA INC	CMA	12/13/11	623.70	24.948	25.80	645.00	21.30 ST	1.55	10.00
13	CYTEC INDUSTRIES INC	CYT	07/28/11	739.57	56.89	44.65	580.45	(159.12) ST	1 119	6.50
36	DOUGLAS EMMETT INC	DEI	08/31/11	648.00	18.00	18 24	656.64	8 64 ST	2.85	18.72
11	DOVER CORP	DOV	12/15/11	614 40	55.854	58.05	638.55	24.15 ST	2 17	13.86
11	EQT CORPORATION INC	EQT	07/29/11	698.39	63.49	54 79	602.69	(95.70) ST		
8			08/05/11	436.32	54.54	54 79	438.32	2.00 ST		
7			10/18/11	460.59	65.797	54 79	383.53	(77.06) ST		
26				1,595.30	61.358		1,424.54	(170.76)	1 606	22 88
9	EATON CORP	ETN	07/28/11	444.87	49.43	43.53	391.77	(53.10) ST		
10			12/06/11	459 20	45.92	43.53	435.30	(23 90) ST		
19				904.07	47 583		827.07	(77.00)	3 124	25.84
12	EDISON INTERNATIONAL	EIX	07/28/11	464.52	38.71	41.40	496.80	32.28 ST		
12			11/28/11	457.71	38.142	41.40	496.80	39.09 ST		
24				922.23	38.426		993 60	71.37	3.14	31.20
28	ELECTRONIC ARTS	EA	09/23/11	593 55	21 198	20.60	576.80	(16 75) ST		
14	ENERGEN CORP	EGN	09/29/11	609 61	43 543	50 00	700 00	90 39 ST	1 08	7.56
11	ENERGIZER HLDGS INC	ENR	07/28/11	897.05	81.55	77 48	852.28	(44 77) ST		
78	FIFTH THIRD BANCORP	FITB	07/28/11	997.36	12.786	12.72	992.16	(5.20) ST	2 515	24 96
24	FIRST REPUBLIC BANK	FRC	07/28/11	695 28	28 97	30.61	734 64	39 36 ST		
47	GENWORTH FINL INC CLASS A	GNW	07/28/11	377.41	8.03	6.55	307.85	(69.56) ST		
35	GREAT PLAINS ENERGY INC	GXP	07/28/11	716.45	20.47	21.78	762.30	45.85 ST	3 902	29.75

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
21	HARTFORD FINL SVCS GROUP INC	HIG	07/28/11	$ 491.61	$ 23.41	$ 16.25	$ 341.25	($ 150.36) ST	2.461 %	$ 8.40
30	HOLOGIC INC	HOLX	07/28/11	561.90	18.73	17.51	525.30	(36.60) ST		
54	HOST HOTELS & RESORTS INC	HST	07/28/11	877.50	16.25	14.77	797.58	(79.92) ST		
36			09/29/11	406.63	11.295	14.77	531.72	125.09 ST		
90				1,284.13	14.268		1,329.30	45.17	1.354	18.00
11	KANSAS CITY SOUTHERN INDS NEW	KSU	07/28/11	658.46	59.86	68.01	748.11	89.65 ST		
40	KIMCO REALTY CORPORATION	KIM	07/28/11	769.20	19.23	16.24	649.60	(119.60) ST	4.679	30.40
32	LEAR CORP	LEA	07/28/11	1,565.44	48.92	39.80	1,273.60	(291.84) ST	1.256	16.00
4	LIBERTY GLOBAL INC CLASS A	LBTYA	07/28/11	170.84	42.71	41.03	164.12	(6.72) ST		
15			10/12/11	583.49	38.899	41.03	615.45	31.96 ST		
19				754.33	39.702		779.57	25.24		
77	LIBERTY MEDIA HLDG CORP INTERACTIVE SER A	LINTA	07/28/11	1,268.96	16.48	16.215	1,248.56	(20.40) ST		
22	LIBERTY PROPERTY TRUST-SBI	LRY	08/10/11	616.15	28.006	30.88	679.36	63.21 ST	6.152	41.80
16	LIFE TECHNOLOGIES CORP	LIFE	10/11/11	591.31	36.957	38.91	622.56	31.25 ST		
24	LINCOLN NATIONAL CORP -IND-	LNC	07/28/11	646.08	26.92	19.42	466.08	(180.00) ST	1.647	7.68
14	M & T BK CORP	MTB	07/28/11	1,222.48	87.32	76.34	1,068.76	(153.72) ST	3.667	39.20
77	MFA FINANCIAL INC	MFA	07/28/11	584.43	7.59	6.72	517.44	(66.99) ST	14.88	77.00
21	MACYS INC	M	11/08/11	671.05	31.954	32.18	675.78	4.73 ST		
15			11/17/11	462.60	30.84	32.18	482.70	20.10 ST		
36				1,133.65	31.49		1,158.48	24.83	1.243	14.40
22	MARSH & MCLENNAN COS INC	MMC	09/13/11	620.40	28.20	31.62	695.64	75.24 ST	2.783	19.36
46	MASCO CORP DE	MAS	07/28/11	500.02	10.87	10.48	482.08	(17.94) ST	2.862	13.80
27	MAXIM INTEGRATED PRODS INC	MXIM	07/28/11	606 15	22.45	26.04	703.08	96.93 ST	3.379	23.76
1	NVR INC	NVR	07/28/11	687 97	687 97	686.00	686.00	(1.97) ST		
26	NASDAQ OMX GROUP INC	NDAQ	07/28/11	625.82	24 07	24.51	637 26	11.44 ST		
18			09/16/11	451.20	25.066	24.51	441.18	(10.02) ST		
44				1,077.02	24.478		1,078.44	1.42		
16	NETAPP INC	NTAP	08/22/11	576.13	36.008	36.27	580.32	4.19 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
29	NORTHEAST UTILITIES	NU	07/28/11	$ 1,009.20	$ 34.80	$ 36.07	$ 1,046 03	$ 36.83	ST	3.049%	$ 31.90
41	NVIDIA CORP	NVDA	08/12/11	562.11	13.71	13.86	568.26	6.15	ST		
7			08/15/11	92.26	13.18	13.86	97 02	4.76	ST		
48				654.37	13.633		665.28	10.91			
63	NV ENERGY INC	NVE	07/28/11	950.67	15.09	16.35	1,030.05	79.38	ST	3.18	32.76
12	OGE ENERGY CORP	OGE	12/14/11	624.66	52 055	56.71	680.52	55 86	ST	2.768	18 84
69	PPL CORP	PPL	07/28/11	1,976.85	28.65	29.42	2,029.98	53.13	ST	4.758	96.60
9	PVH CORP	PVH	07/28/11	656.64	72.96	70.49	634.41	(22.23)	ST		
6			11/01/11	431.16	71.86	70.49	422.94	(8.22)	ST		
15				1,087.80	72.52		1,057.35	(30.45)		.212	2.25
36	PARAMETRIC TECHNOLOGY CORP NEW	PMTC	07/28/11	767.88	21.33	18.26	657.36	(110.52)	ST		
7	PARKER-HANNIFIN CORP	PH	07/28/11	560.21	80.03	76.25	533.75	(26.46)	ST	1.94	10.36
22	PATTERSON COMPANIES INC	PDCO	07/28/11	681.34	30.97	29.52	649.44	(31.90)	ST	1.626	10.56
19	PENTAIR INC	PNR	07/28/11	720 48	37.92	33.29	632.51	(87.97)	ST	2 403	15.20
14	PETSMART INC	PETM	09/16/11	627.45	44.818	51.29	718.06	90 61	ST	1 091	7.84
16	PINNACLE WEST CAP CORP	PNW	07/28/11	683 36	42.71	48.18	770.88	87.52	ST	4.358	33.60
8	PIONEER NATURAL RESOURCES CO	PXD	07/28/11	761.20	95 15	89.48	715.84	(45.36)	ST		
6			09/26/11	410.90	68 483	89.48	536.88	125.98	ST		
14				1,172.10	83.721		1,252.72	80.62		.089	1.12
23	POLYCOM INC	PLCM	07/28/11	664.24	28.88	16.30	374.90	(289.34)	ST		
19			11/08/11	360.78	18 988	16.30	309.70	(51.08)	ST		
42				1,025.02	24.405		684.60	(340.42)			
67	PRINCIPAL FINANCIAL GROUP INC	PFG	07/28/11	1,859.92	27.76	24.60	1,648.20	(211.72)	ST	2.845	46.90
5	RANGE RESOURCES CORP	RRC	08/09/11	272.14	54.426	61.94	309.70	37 56	ST	.258	80
24	REPUBLIC SVCS INC	RSG	07/28/11	695.04	28.96	27.55	661.20	(33 84)	ST	3.194	21.12
8	ROCKWELL AUTOMATION INC	ROK	12/08/11	610 48	76.309	73.37	586.96	(23 52)	ST	2.317	13 60
16	ROSS STORES INC DE	ROST	09/30/11	634.75	39.671	47.53	760.48	125 73	ST	.925	7.04
78	SLM CORP	SLM	07/28/11	1,233.96	15.82	13.40	1,045.20	(188.76)	ST	2.985	31.20

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated Income (annualized)
35	SARA LEE CORP	SLE	08/25/11	$ 611.38	$ 17.468	$ 18.92	$ 662.20	$ 50.82	ST	2.431 %	$ 16.10
31	SCANA CORP NEW	SCG	07/28/11	1,231.84	39.74	45.06	1,396.86	164 92	ST	4.305	60.14
34	SCRIPPS NETWORK INTERACTIVE	SNI	07/28/11	1,608.88	47.32	42.42	1,442.28	(166.60)	ST	942	13.60
20	SEMPRA ENERGY	SRE	07/28/11	1,026.20	51.31	55.00	1,100.00	73.80	ST		
7			08/22/11	345.30	49.327	55.00	385.00	39.70	ST		
27				1,371.50	50.796		1,485.00	113.50		3.49	51.84
21	SMUCKER J M CO NEW	SJM	07/28/11	1,660.47	79.07	78.17	1,641.57	(18.90)	ST		
5			12/20/11	389.26	77 851	78.17	390.85	1 59	ST		
26				2,049.73	78.838		2,032.42	(17.31)		2.456	49.92
31	SPIRIT AEROSYSTEMS HLDGS INC CLASS A	SPR	07/28/11	649.14	20.94	20.78	644.18	(4.96)	ST		
280	SPRINT NEXTEL CORP	S	07/28/11	1,198.40	4 28	2.34	655.20	(543.20)	ST		
13	STARWOOD HOTELS & RESORTS WORLDWIDE INC -NEW	HOT	10/21/11	624.80	48.061	47.97	623.61	(1.19)	ST	.875	5.46
43	SUNTRUST BANKS INC	STI	07/28/11	1,068.98	24.86	17 70	761.10	(307.88)	ST	1.129	8.60
20	TRW AUTOMOTIVE HOLDINGS CORP	TRW	07/28/11	1,034.80	51.74	32.60	652.00	(382 80)	ST		
27	TANGER FACTORY OUTLET CTRS INC	SKT	07/28/11	749.25	27.75	29.32	791.64	42.39	ST	2.728	21.60
11	TAUBMAN CENTERS INC	TCO	09/22/11	584.50	53.136	62.10	683.10	98.60	ST	2.898	19.80
31	TEXTRON INC	TXT	07/28/11	735.32	23.72	18.49	573.19	(162.13)	ST	.432	2.48
22	VENTAS INC	VTR	07/28/11	1,193.72	54.26	55.13	1,212.86	19.14	ST	4.171	50.60
67	XCEL ENERGY INC	XEL	07/28/11	1,634.13	24.39	27.64	1,851.88	217.75	ST	3.762	69 68
23	XILINX INC	XLNX	07/28/11	749.11	32.57	32.06	737.38	(11.73)	ST	2.37	17 48
Total common stocks and options				$ 85,962.59			$ 81,957.12	($ 4,005.57)	ST	1.92	
								$ 0.00	LT		$ 1,578.65
Total portfolio value				$ 90,082.13			$ 86,076.56	($ 4,005.57)	ST	1.83	$ 1,579.05
								$ 0.00	LT		

Bonds

Unrealized gains & losses have been adjusted to account for the accretion of OID (original issue discount), the amortization of premium, and/or the accretion of market discount.

Call features shown indicate the next regularly scheduled call date and price. Your holdings may be subject to other redemption features including sinking funds or extraordinary calls.

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	TOYOTA MOTOR CREDIT CORP BOOK/ENTRY DTD 01/08/2009 INT: 03.891% MATY: 01/09/2012 Int paid quarterly Rating: AA3/AA-	05/13/09 89233P3A2	$ 51,184.50 **$ 50,011.00**	$ 102.369 $ 100.022	100.052 **$ 417.29**	**$ 50,026.00**	($ 1,158.50) **$ 15.00**	LT LT	**3.889** **$ 1,945.55**	**$ 0.00** **$ 15.00**
22,000	GENERAL ELEC CAP CORP DTD 2/15/02 INT: 05.875% MATY: 02/15/2012 Rating: AA2/AA+	05/04/09 36962GXS8	22,489.28 **22,020.68**	102.224 100.094	100.606 **488.28**	**22,133.32**	(355.96) **112.64**	LT LT	**5.839** **1,292.50**	**0.00** **112.64**
30,000	GENERAL ELEC CAP CORP MEDIUM TERM NTS BK/ENTRY DTD 06/07/2002 INT: 06.000% MATY: 06/15/2012 Rating: AA2/AA+	04/29/09 36962GYY4	30,634.80 **30,098.40**	102.116 100.328	102.248 **80.00**	**30,674.40**	39.60 **576.00**	LT LT	**5.868** **1,800.00**	**0.00** **576.00**
50,000	AMERICAN EXPRESS CR DTD 06/02/2008 INT: 05.875% MATY: 05/02/2013 Rating: A2/BBB+	05/04/09 0258M0CW7	48,185 00 **48,185.00**	96.37 96.37	105.115 **481.42**	**52,557.50**	4,372.50 **4,372.50**	LT LT	**5.589** **2,937.50**	**1,144.00** **3,228.50**
25,000	GENERAL ELECTRIC CAPITAL CORP QRTRLY US LIBOR +90 DTD 05/22/2008 INT: 01.387% MATY: 05/22/2013 Int paid quarterly Rating: AA2/AA+	07/20/09 36962G4A9	23,018.28 **23,018 28**	92.073 92.073	100.455	**25,113.75**	2,095.47 **2,095.47**	LT LT	**1.381** **346.94**	**1,228.22** **867.25**

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip income (annualized)	Ordinary income/ Capital gain/(loss)
35,000	AMERICAN EXPRESS CO	05/19/09	$ 35,317.10	$ 100.906	111.678	**$ 39,087.30**	$ 3,770.20	LT	**6.491**	**$ 0.00**
	DTD 05/18/2009	025816BA6	**$ 35,161.35**	$ 100.461	**$ 288.99**		**$ 3,925.85**	LT	**$ 2,537.50**	**$ 3,925.85**
	INT: 07.250% MATY: 05/20/2014									
	Rating: A3/BBB+									
25,000	GOLDMAN SACHS GROUP INC	07/27/09	23,527.25	94.109	90.779	22,694.75	(832.50)	LT		0.00
	FRN NOTES-BK/ENTRY	38143UAV3	23,527.25	94.109			(832.50)	LT		(832.50)
25,000	DTD 09/29/2004	08/19/09	23,800.00	95.20	90.779	22,694.75	(1,105.25)	LT		0.00
	INT: 01.175% MATY: 09/29/2014		23,800.00	95.20			(1,105.25)	LT		(1,105 25)
50,000	Int paid quarterly		47,327.25	94.70		**45,389.50**	(1,937.75)		**1.295**	**0.00**
	Rating: A1/A-		**47,327.25**	94.70	**3.27**		**(1,937.75)**		**587.87**	**(1,937.75)**
26,000	WELLS FARGO & CO	09/14/11	26,623.75	106.495	107.003	**26,750.75**	127.00	ST	**4.672**	**0.00**
	DTD 11/06/2002	949746CR0	**26,485.00**	105.94	**159.72**		**265.75**	ST	**1,250.00**	**265.75**
	INT: 05.000% MATY: 11/15/2014									
	Rating: A3/A									
30,000	GOLDMAN SACHS GROUP	02/23/11	29,090.70	96.969	87.524	**26,257.20**	(2,833.50)	ST	**.931**	**0.00**
	DTD 07/22/2005	38141EKF5	**29,090.70**	96.969			**(2,833.50)**	ST	**244.66**	**(2,833.50)**
	INT: 00.815% MATY: 07/22/2015									
	Int paid quarterly									
	Rating: A1/A-									
50,000	JP MORGAN CHASE & CO	07/08/09	43,775.00	87.55	98.039	49,019.50	5,244.50	LT		2,325.00
	DTD 08/24/2005	46625HCY4	43,775.00	87.55			5,244.50	LT		2,919.50
25,000	FIXED TO FLTG 1MO LIB+129BP	07/15/11	24,862.50	99.45	98.039	24,509.75	(352.75)	ST		0.00
	INT: 01.586% MATY: 09/01/2015		24,862.50	99.45			(352.75)	ST		(352.75)
75,000	Int paid monthly		68,637.50	91.50		**73,529.25**	4,891.75		**1.618**	**2,325.00**
	Rating: A1/A-		**68,637.50**	91.50			**4,891.75**		**1,189.72**	**2,566.75**
	Next call on 01/31/12 @ 100.000									
40,000	AT&T INC GLOBAL	09/06/11	40,692.00	101.73	102.029	**40,811.60**	119.60	ST	**2.352**	**0.00**
	DTD 08/18/2011	00206RAY8	**40,650.40**	101.626	**354.67**		**161.20**	ST	**960.00**	**161.20**
	FIXED CALLABLE									
	INT: 02.400% MATY: 08/15/2016									
	Rating: A2/A-									
40,000	ALCOA INC GLOBAL NOTES	09/14/11	42,720.00	106.80	106.636	**42,654.40**	(65.60)	ST	**5.204**	**0.00**
	BOOK/ENTRY	013817AL5	**42,592.40**	106.481	**925.00**		**62 00**	ST	**2,220.00**	**62.00**
	DD 1/25/07									

MorganStanley
SmithBarney

Reserved
Client Statement
December 1 - December 31, 2011

TERHULY FOUNDATION ***Account number 243-13934-18 72***

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary income/ Capital gain/(loss)
25,000	MERRILL LYNCH 144A DTD 5/2/07 INT: 00.979% MATY: 05/02/2017 Int paid quarterly Rating: BAA2/BBB+	03/25/10 59022CCT8	$ 22,122.88 **$ 22,122.88**	$ 88.491 $ 88.491	72.592	**$ 18,148.00**	($ 3,974.88) **($ 3,974.88)**	LT LT	**1.349** **$ 244.86**	**$ 0.00** **($ 3,974.88**
25,000	BEAR STEARNS CO INC DTD 10/02/2007 INT: 06.400% MATY: 10/02/2017 Rating: AA3/A	01/31/08 073902PR3	24,041.25 **24,041.25**	96 165 96.165	111.723 **395.56**	**27,930.75**	3,889.50* **3,889.50***	LT LT	**5.728** **1,600.00**	**312.50** 3,577.00
Total corporate bonds **622,000**			**$ 612,084.29** **$ 609,442.09**		**$ 3,594.20**	**$ 615,119.72**	**($ 2,697.30)** **$ 8,374.93**	**ST** **LT**	**3.88** **$ 24,551.47**	**$ 5,009.72** **$ 667.91**
Total portfolio value			**$ 678,753.31**			**$ 684,430.94**	**($ 2,697.30)** **$ 8,374.93**	**ST** **LT**	**3.58** **$ 24,558.40**	**$ 5,009.72** **$ 667.91**

**Based on information supplied by client or other financial institution, not verified by us.*

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Money fund activity

Opening money fund balance **$ 67,718.29**

Date	Activity	Description	Amount
12/01/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	95.99
12/02/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	474.33

All transactions are traded at $1.00 per share.

Date	Activity	Description	Amount
12/16/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	900.00
12/30/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	121.99
		MONEY FUND EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)	.62
		Closing balance	**$ 69,311.22**