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

2011

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation

MORSMAN FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

4011 E VALLEY ROAD

A Employer identification number

41-2008689

City or town, state, and ZIP code

DEEPHAVEN, MN 55391

G Check all that apply:  Initial return  Initial return of a former public charity  
 Final return  Amended return  
 Address change  Name changeH Check type of organization:  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at end of year J Accounting method:  Cash  Accrual  
(from Part II, col. (c), line 16)  Other (specify) 406,344. (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		11,468.	11,468.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		6,369.			
b Gross sales price for all assets on line 6a	52,143.				
7 Capital gain net income (from Part IV, line 2)			6,369.		
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		17,837.	17,837.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 2	1,150.	0.		1,150.
c Other professional fees	STMT 3	3,063.	3,063.		0.
17 Interest					
18 Taxes	STMT 4	454.	88.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 5	834.	0.		25.
24 Total operating and administrative expenses. Add lines 13 through 23		5,501.	3,151.		1,175.
25 Contributions, gifts, grants paid		17,500.			17,500.
26 Total expenses and disbursements. Add lines 24 and 25	PR 23 2012	23,001.	3,151.		18,675.
27 Subtract line 26 from line 12:		<5,164. >			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			14,686.		
c Adjusted net income (if negative, enter -0-)				N/A	

Assets	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	
	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments		14,266.	26,174.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations	STMT 6	30,354.	20,078.
	b Investments - corporate stock	STMT 7	314,316.	307,520.
	c Investments - corporate bonds			359,332.
	11 Investments - land, buildings, and equipment basis ►			
	Less accumulated depreciation ►			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation ►			
	15 Other assets (describe ► )			
	16 Total assets (to be completed by all filers)		358,936.	353,772.
	17 Accounts payable and accrued expenses			406,344.
	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.
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		358,936.	353,772.
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.
	29 Retained earnings, accumulated income, endowment, or other funds		0.	0.
	30 Total net assets or fund balances		358,936.	353,772.
	31 Total liabilities and net assets/fund balances		358,936.	353,772.

## 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	358,936.
2 Enter amount from Part I, line 27a	2	<5,164.>
3 Other increases not included in line 2 (itemize) ►	3	0.
4 Add lines 1, 2, and 3	4	353,772.
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	353,772.

**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.)
<b>1a PUBLICLY TRADED SECURITIES</b>			P		
<b>b CAPITAL GAINS DIVIDENDS</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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	52,126.		45,774.	6,352.	
b	17.			17.	
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				6,352.	
b				17.	
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	6,369.	
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	15,825.	365,644.	.043280
2009	22,084.	323,962.	.068168
2008	24,435.	417,837.	.058480
2007	22,809.	495,307.	.046050
2006	20,830.	477,640.	.043610
2 Total of line 1, column (d)			.259588
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			.051918
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			404,263.
5 Multiply line 4 by line 3			20,989.
6 Enter 1% of net investment income (1% of Part I, line 27b)			147.
7 Add lines 5 and 6			21,136.
8 Enter qualifying distributions from Part XII, line 4			18,675.

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

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2011 estimated tax payments and 2010 overpayment credited to 2011

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a

6b

6c

6d

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here  if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ►

Refunded ►

7 0.

8

9 294.

10

11

**Part VII-A Statements Regarding Activities**

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

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.*

1c X

c Did the foundation file Form 1120-POL for this year?

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?

2 X

*If "Yes," attach a detailed description of the activities.*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?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

4b X

*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:

N/A

- 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?

7 X

*If "Yes," complete Part II, col. (c), and Part XV*

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)

8b X

*of each state as required by General Instruction G? If "No," attach explanation*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)

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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	<input checked="" type="checkbox"/>
Website address ► <u>N/A</u>			
14	The books are in care of ► <u>EDGAR MORSMAN JR</u>	Telephone no. ► <u>(952) 476-4919</u>	
Located at ► <u>4011 E VALLEY RD, DEEPHAVEN, MN</u>		ZIP+4 ► <u>55391</u>	
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	<input type="checkbox"/> N/A
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No X

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?	► <input type="checkbox"/>	<input checked="" type="checkbox"/>
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)): 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? If "Yes," list the years ►	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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	
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>

## 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))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)?
- (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  
 Yes  No  
 Yes  No  
 Yes  No  
 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

6b

X

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

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

Yes  No

N/A

7b

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

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

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

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

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

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

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

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

►

0

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

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

**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	<b>N/A</b>	
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	<b>N/A</b>	
2		
All other program-related investments. See instructions.		
3		
<b>Total. Add lines 1 through 3</b>	►	<b>0.</b>

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**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 392,558.
b Average of monthly cash balances	1b 17,861.
c Fair market value of all other assets	1c
d Total (add lines 1a, b, and c)	1d 410,419.
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	3 410,419.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 6,156.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 404,263.
6 Minimum investment return Enter 5% of line 5	6 20,213.

**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 20,213.
2a Tax on investment income for 2011 from Part VI, line 5	2a 294.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b
c Add lines 2a and 2b	2c 294.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3 19,919.
4 Recoveries of amounts treated as qualifying distributions	4 0.
5 Add lines 3 and 4	5 19,919.
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 19,919.

**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 18,675.
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 18,675.
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 18,675.

**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				19,919.
2 Undistributed income, if any, as of the end of 2011			16,689.	
a Enter amount for 2010 only				
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: ► \$ 18,675.			16,689.	
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				1,986.
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				
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				<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)		
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 9**

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
BRADFORD BRINTON MEMORIAL AND MUSEUM PO BOX 460 <u>BIG HORN, WY 82833</u>	NONE	PUBLIC CHARITY	ART AND HISTORICAL MUSEUM	750.
COLORADO ENVIRONMENTAL COALITION 1536 WYNKOOP, #5C <u>DENVER, CO 80202</u>	NONE	PUBLIC CHARITY	GRASS ROOTS VOICE FOR CONSERVATION IN COLORADO.	850.
DUMB FRIENDS LEAGUE 2080 SOUTH QUEBEC STREET <u>DENVER, CO 80231-3298</u>	NONE	PUBLIC CHARITY	PROVIDES HOMES FOR DOGS.	850.
FREEDOM SERVICE DOGS, INC 2000 WEST UNION AVENUE <u>ENGLEWOOD, CO 80110-5567</u>	NONE	PUBLIC CHARITY	RESCUES DOGS FROM SHELTERS, TRAINS THEM TO ASSIST PEOPLE.	850.
HABITAT FOR HUMANITY OF METRO DENVER 1500 WEST 12TH AVENUE <u>DENVER, CO 80204-3410</u>	NONE	PUBLIC CHARITY	LOW INCOME HOUSING	850.
<b>Total</b>	<b>SEE CONTINUATION SHEET(S)</b>			► 3a 17,500.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>				► 3b 0.

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
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					
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.		17,837.
13 Total Add line 12, columns (b), (d), and (e)					0.
					13 17,837.

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

## Relationship of Activities to the Accomplishment of Exempt Purposes

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

		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.		

**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.)?

► *Edgar M. Porsner Jr.*  
Signature of officer or trustee

4/18/12

► PRESIDENT

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>KIM HUNWARDSEN, CPA</b>		<b>KIM HUNWARDSEN, C</b>	<b>04/12/12</b>	<b>P00484560</b>
	Firm's name ► <b>EIDE BAILLY LLP</b>			Firm's EIN ► <b>45-0250958</b>	
Firm's address ► <b>800 NICOLLET MALL, STE. 1300 MINNEAPOLIS, MN 55402-7033</b>			Phone no. <b>(612) 253-6500</b>		

## MORSMAN FAMILY FOUNDATION

41-2008689

## 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 HOOVED ANIMAL RESCUE FOUNDATION P.O. BOX 47 <u>ZIMMERMAN, MN 55398</u>	NONE	PUBLIC CHARITY	RESCUES, REHABILITATES AND PLACES HORSES.	500.
MINNESOTA LAND TRUST 2356 UNIVERSITY AVE W, STE 240 ST. PAUL, MN 55114-9924	NONE	PUBLIC CHARITY	PROMOTES CONSERVATION EASEMENTS TO PROTECT LAND IN MINNESOTA.	1,000.
OPEN DOOR YOUTH GANG ALTERNATIVES 1615 CALIFORNIA SUITE 712 <u>DENVER, CO 80202</u>	NONE	PUBLIC CHARITY	WORKS AT GIVING KIDS AN ALTERNATIVE TO GANG MEMBERS.	850.
PEOPLE SERVING PEOPLE 614 3RD STREET S. <u>MINNEAPOLIS, MN 55415-1104</u>	NONE	PUBLIC CHARITY	HOMELESS JOBS AND SHELTER PROGRAM.	1,000.
PLATTE FORUM 1610 LITTLE RAVEN STREET, STE. 135 <u>DENVER, CO 80202</u>	NONE	PUBLIC CHARITY	INTRODUCES UNDERSERVED CHILDREN TO ART AND ARTISTS.	750.
PORLAND ART MUSEUM 1219 S.W. PARK AVENUE <u>PORLAND, OR 97205</u>	NONE	PUBLIC CHARITY	ART MUSEUM	2,500.
RAPTOR EDUCATION GROUP, INC. P.O. BOX 481 <u>ANTIGO, WI 54409</u>	NONE	PUBLIC CHARITY	HEALS INJURED BIRDS AND PROVIDES EDUCATION.	750.
WE CAN RIDE PO BOX 1102 <u>MINNETONKA, MN 55345</u>	NONE	PUBLIC CHARITY	THERAPEUTIC HORSEBACK RIDING FOR DISABLED CHILDREN & ADULTS.	500.
WYOMING WILDERNESS ASSOCIATION P.O. BOX 6588 <u>SHERIDAN, WY 82801</u>	NONE	PUBLIC CHARITY	WILDERNESS PRESERVATION OF ROCK CREEK.	3,000.
EMERGENCY FOOD SHELF NETWORK 8501 54TH AVENUE NORTH <u>NEW HOPE, MN 55428</u>	NONE	PUBLIC CHARITY	PROVIDES FOOD FOR THE POOR.	1,000.
<u>Total from continuation sheets</u>				<u>13,350.</u>

**MORSMAN FAMILY FOUNDATION**

41-2008689

**Part XV Supplementary Information****3 Grants and Contributions Paid During the Year (Continuation)**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
MINNESOTA PUBLIC RADIO 480 CEDER STREET ST. PAUL, MN 55101-2230	NONE	PUBLIC CHARITY	PUBLIC RADIO STATION FEATURING CLASSICAL, CONTEMPORARY MUSIC, AND NEWS.	500.
CAPATIBLE TECHNOLOGY INTERNATIONAL 800 TRANSFER ROAD, SUITE 6 ST. PAUL, MN 55114-9924	NONE	PUBLIC CHARITY	PROVIDES AGRICULTURAL AND OTHER SOLUTIONS IN AFRICA.	500.
URBAN SQUASH TWIN CITIES 3413 IRVING AVENUE SOUTH MINNEAPOLIS, MN 55408	NONE	PUBLIC CHARITY	ATHLETIC PROGRAMS AND COACHING FOR UNDERPRIVILEGED YOUTH.	500.
<b>Total from continuation sheets</b>				

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
WELLS FARGO - CAPITAL GAIN DISTRIBUTION	17.	17.	0.
WELLS FARGO - DIVIDENDS	9,841.	0.	9,841.
WELLS FARGO - INTEREST INCOME	1,627.	0.	1,627.
TOTAL TO FM 990-PF, PART I, LN 4	11,485.	17.	11,468.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	1,150.	0.		1,150.
TO FORM 990-PF, PG 1, LN 16B	1,150.	0.		1,150.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO AGENCY FEES	3,063.	3,063.		0.
TO FORM 990-PF, PG 1, LN 16C	3,063.	3,063.		0.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	366.	0.		0.
FOREIGN TAX	88.	88.		0.
TO FORM 990-PF, PG 1, LN 18	454.	88.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ANNUAL MINNESOTA FILING FEE	25.	0.		25.
MISCELLANEOUS	809.	0.		0.
TO FORM 990-PF, PG 1, LN 23	834.	0.		25.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT OBLIGATIONS - SEE ATTACHED	X		20,078.	20,838.
TOTAL U.S. GOVERNMENT OBLIGATIONS			20,078.	20,838.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			20,078.	20,838.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PUBLICLY TRADED SECURITIES - SEE ATTACHED	307,520.	359,332.
TOTAL TO FORM 990-PF, PART II, LINE 10B	307,520.	359,332.

FORM 990-PF

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

STATEMENT 8

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

FORM 990-PF

PART XV - LINE 1A  
LIST OF FOUNDATION MANAGERS

STATEMENT 9

## NAME OF MANAGER

EDGAR M. MORSMAN, JR.  
ELIZABETH H. MORSMAN

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER

## Stocks, options &amp; ETFs

## Stocks and ETFs

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME		ANNUAL YIELD (%)
							UNREALIZED GAIN/LOSS	ANNUAL INCOME	
ABBOTT LABORATORIES									
ABT									
Acquired 04/16/10 L n/c		90	52.17	4,695.30		5,060.70		365.40	
Acquired 05/26/10 L n/c		8	47.94	383.52		449.84		66.32	
Acquired 05/7/11 S		2	53.65	107.30		112.46		5.16	
<b>Total</b>	<b>1.38</b>	<b>100</b>		<b>\$5,186.12</b>	<b>56.2300</b>	<b>\$5,623.00</b>		<b>\$436.88</b>	<b>\$192.00</b>
ACCENTURE PLC IRELAND									
SHARES CLASS A									
ACN									
Acquired 04/16/10 L n/c	1.24	95	43.11	4,096.15	53.2300	5,056.85	960.70		128.25
AFLAC INC									2.53
AFL									
Acquired 04/16/10 L n/c		86	54.45	4,682.70		3,720.36		-962.34	
Acquired 05/18/11 S		15	50.22	753.30		648.90		-104.40	
<b>Total</b>	<b>1.08</b>	<b>101</b>		<b>\$5,436.00</b>	<b>43.2600</b>	<b>\$4,369.26</b>		<b>-\$1,066.74</b>	<b>\$132.32</b>
AIR PRODUCTS & CHEMICALS									
INC									
APD									
Acquired 04/16/10 L n/c	1.24	59	76.22	4,496.98	85.1900	5,026.21	529.23		136.88
ANALOG DEVICES INC									2.72
ADI									
Acquired 04/16/10 L n/c		1.11	126	30.53	3,846.78	35.7800	4,508.28	661.50	128.00
APTARGROUP INC									2.79
ATR									
Acquired 04/16/10 L n/c		1.31	102	42.48	4,333.92	52.1700	5,321.34	987.42	
AT & T INC									
T									
Acquired 04/16/10 L n/c		84	25.97	2,181.48		2,540.16		358.68	
Acquired 04/19/10 L n/c		77	26.19	2,016.63		2,328.48		311.85	
Acquired 05/26/10 L n/c		13	24.35	316.55		393.12		76.57	
<b>Total</b>	<b>1.29</b>	<b>174</b>		<b>\$4,514.68</b>	<b>30.2400</b>	<b>\$5,261.76</b>		<b>\$747.10</b>	<b>\$308.24</b>
AUTOMATIC DATA									
PROCESSING									
ADP									
Acquired 04/16/10 L n/c		1.33	100	44.29	4,429.72	54.0100	5,401.00	971.28	
<b>Total</b>									<b>2.92</b>

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER:Stocks, options & ETFs  
Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	ESTIMATED	
							ANNUAL INCOME	ANNUAL YIELD (%)
BAXTER INTERNATIONAL INC BAX	80	59.07	4,725.60		3,958.40	3,958.40	767.20	
Acquired 04/16/10 L nc	10	59.80	598.00		494.80	494.80	-103.20	
Acquired 05/18/11 \$								
<b>Total</b>	<b>1.10</b>	<b>90</b>	<b>\$6,323.60</b>	<b>48,4800</b>	<b>\$4,453.20</b>	<b>\$870.40</b>	<b>\$120.60</b>	<b>2.71</b>
BECTON DICKINSON & CO BDX	46	83.98	3,863.08		3,437.12	3,437.12	425.96	
Acquired 05/20/08 L nc	10	77.90	779.00		747.20	747.20	-31.80	
Acquired 04/16/10 L nc	5	71.68	358.40		373.60	373.60	15.20	
Acquired 05/26/10 L nc								
<b>Total</b>	<b>1.12</b>	<b>61</b>	<b>\$5,000.48</b>	<b>74,7200</b>	<b>\$4,557.92</b>	<b>\$442.56</b>	<b>\$109.80</b>	<b>2.41</b>
BROWN AND BROWN INC COM BRO	115	206	18.66	3,845.99	22,6300	4,661.78	815.79	
Acquired 04/16/10 L nc								
BROWN-FORMAN CORP CL B BF/B	1.49	75	58.64	4,398.00	80.5100	6,038.25	1,640.25	
Acquired 04/16/10 L nc								
CHEVRON CORPORATION CVX	139	53	37.87	2,007.37	106.4000	5,639.20	3,631.83	
Acquired 12/01/03 L nc								
CHUBB CORP CB	128	75	67.37	5,052.75	69.2200	5,191.50	138.75	
Acquired 12/06/11 \$								
CLOROX COMPANY CLX	73	64.44	4,704.12		4,858.88	4,858.88	154.76	
Acquired 04/16/10 L nc	3	70.20	210.60		199.68	199.68	-10.92	
Acquired 05/18/11 \$								
<b>Total</b>	<b>1.24</b>	<b>76</b>	<b>\$4,914.72</b>	<b>66,5600</b>	<b>\$5,058.56</b>	<b>\$143.84</b>	<b>\$182.40</b>	<b>3.81</b>
COLGATE-PALMOLIVE CO CL	56	84.15	4,712.40		5,173.84	5,173.84	461.44	
Acquired 04/16/10 L nc	6	85.86	515.16		554.34	554.34	39.18	
Acquired 05/18/11 \$								
<b>Total</b>	<b>1.41</b>	<b>62</b>	<b>\$5,227.56</b>	<b>92,3900</b>	<b>\$5,728.18</b>	<b>\$500.62</b>	<b>\$143.84</b>	<b>2.51</b>

ASSET ADVISOR



020 GP GP27

0000 000009 (Rev 03)

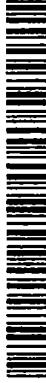
**MORSMAN FAMILY FOUNDATION**
**Stocks, options & ETFs**  
**Stocks and ETFs continued**
**DECEMBER 1 - DECEMBER 31, 2011**  
**ACCOUNT NUMBER.**

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME	ANNUAL YIELD (%)	ESTIMATED
COMMERCIAL BANCSHARES INC										
CBSH		126 76190	36.82	4,709.51	4,832.16	122.65				
Acquired 04/16/10 L inc		5 23810	43.07	215.35	199.66	-15.67				
Acquired 05/18/11 S										
<b>Total</b>	<b>1.24</b>	<b>132</b>		<b>\$4,924.86</b>	<b>38.1200</b>	<b>\$5,031.84</b>	<b>\$108.98</b>	<b>\$121.44</b>	<b>2.41</b>	
CONOCOPHILLIPS										
COP		65	56.20	3,653.00	4,736.55	1,083.55				
Acquired 04/16/10 L inc		9	50.43	253.87	655.83	201.96				
Acquired 05/26/10 L inc										
<b>Total</b>	<b>1.33</b>	<b>74</b>		<b>\$4,106.87</b>	<b>72.8700</b>	<b>\$5,382.38</b>	<b>\$1,205.51</b>	<b>\$195.38</b>	<b>3.82</b>	
COSTCO WHSL CORP NEW										
COM		61	46.84	2,857.24	5,082.52	2,225.28				
COST		4	59.34	237.36	333.28	95.92				
Acquired 04/09/09 L inc										
Acquired 04/16/10 L inc										
<b>Total</b>	<b>1.33</b>	<b>65</b>		<b>\$3,094.60</b>	<b>83.3200</b>	<b>\$5,415.80</b>	<b>\$2,321.20</b>	<b>\$62.40</b>	<b>1.15</b>	
EATON VANCE CORP NON VTG										
EV		135	34.69	4,684.23	3,191.40	-1,492.83				
Acquired 04/16/10 L inc		32	32.00	1,024.00	756.48	-267.52				
Acquired 05/18/11 S										
<b>Total</b>	<b>0.97</b>	<b>167</b>		<b>\$5,708.23</b>	<b>23.6400</b>	<b>\$3,947.88</b>	<b>\$-1,760.35</b>	<b>\$126.82</b>	<b>3.21</b>	
ECOLAB INC										
ECL		148	104	45.20	4,701.57	57.8100	6,012.24	1,310.67	83.20	1.38
EMERSON ELECTRIC CO										
EMR		91	51.78	4,711.98	4,239.69	-472.29				
Acquired 04/16/10 L inc		10	53.93	539.30	465.90	-73.40				
Acquired 05/18/11 S										
<b>Total</b>	<b>1.16</b>	<b>101</b>		<b>\$5,251.28</b>	<b>46.5900</b>	<b>\$4,705.59</b>	<b>-\$545.69</b>	<b>\$161.60</b>	<b>3.43</b>	
ENERGEN CORPORATION										
EGN		113	92	48.12	4,427.04	50.0000	4,600.00	172.96	49.68	1.08
Acquired 04/16/10 L inc										
EXXON MOBIL CORP		1.38	66	43.59	2,878.94	84.7600	5,594.16	2,717.22	124.08	2.21
XOM		Acquired 07/03/01 L inc								

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBERStocks, options & ETFs  
Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	ESTIMATED	
							ANNUAL INCOME	ANNUAL YIELD (%)
<b>FACTSET RESEARCH SYSTEMS INC</b>								
FDS	1.07	50	74.86	3,743.00	87.2800	4,364.00	621.00	54.00
Acquired 04/16/10 L nc								1.23
GENERAL MILLS INC	1.33	134	23.29	3,121.53	40.4100	5,414.94	2,293.41	163.48
GIS								3.01
Acquired 02/14/02 L nc								
GENL DYNAMICS CORP COM GD	62	76.00	4,712.00		4,117.42	-594.58		
Acquired 04/16/10 L nc	11	74.02	814.22		730.51	-83.71		
Acquired 05/18/11 S								
<b>Total</b>	<b>1.19</b>	<b>73</b>		<b>\$5,526.22</b>	<b>66.4100</b>	<b>\$4,817.93</b>	<b>-\$678.29</b>	<b>\$137.24</b>
<b>GRAINGER W W INC GWW</b>								
Acquired 04/16/10 L nc	1.66	36	105.08	3,782.88	187.1900	6,738.84	2,956.96	95.04
HARRIS CORP DEL HRS	95	49.36	4,689.20		3,423.80	-1,265.40		
Acquired 04/16/10 L nc	15	48.93	733.95		540.60	-193.35		
Acquired 05/18/11 S								
<b>Total</b>	<b>0.98</b>	<b>110</b>		<b>\$5,423.15</b>	<b>36.0400</b>	<b>\$3,984.40</b>	<b>-\$1,458.75</b>	<b>\$123.20</b>
<b>ILLINOIS TOOL WORKS INC ITW</b>								
Acquired 04/16/10 L nc	88	48.96	4,308.48		4,110.48	-198.00		
Acquired 05/26/10 L nc	6	45.89	275.34		280.26	4.92		
<b>Total</b>	<b>1.08</b>	<b>94</b>		<b>\$4,583.82</b>	<b>48.7100</b>	<b>\$4,390.74</b>	<b>-\$193.08</b>	<b>\$135.38</b>
<b>INTEL CORP INTC</b>								
Acquired 07/03/01 L nc	200	30.49	6,098.00		4,850.00	-1,248.00		
Acquired 05/26/10 L nc	23	21.26	488.98		557.75	68.77		
Acquired 05/18/11 S	5	23.79	118.95		121.25	2.30		
<b>Total</b>	<b>1.36</b>	<b>228</b>		<b>\$6,705.93</b>	<b>24.2500</b>	<b>\$5,529.00</b>	<b>-\$1,176.93</b>	<b>\$191.52</b>
<b>INTERNATIONAL BUSINESS MACHINE CORP IBM</b>								
Acquired 04/16/10 L nc	1.45	32	130.86	4,187.52	183.8800	5,884.16	1,696.64	96.00
<b>Total</b>								1.63

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## Stocks, options & ETFs

Stocks and ETFs continued

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER:Stocks, options & ETFs  
Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
MDU RESOURCES GROUP INC MDU	113	22.12	2,499.56		2,424.98	2,424.98	-74.58		
Acquired 04/21/10 L nc	100	22.11	2,211.00		2,146.00	2,146.00	-65.00		
Acquired 04/21/10 L nc	18	23.47	422.46		386.28	386.28	-36.18		
<b>Total</b>	<b>1.22</b>	<b>231</b>		<b>\$5,133.02</b>	<b>21,4800</b>	<b>\$4,957.26</b>	<b>-\$175.76</b>	<b>\$154.77</b>	<b>3.12</b>
NATIONAL FUEL GAS CO NFG	1.08	79	52.62	4,156.98	55.5800	4,390.82	233.84		
Acquired 04/16/10 L nc								112.18	2.55
NEW JERSEY RES CORP NJR	1.42	117	37.28	4,362.92	49.2000	5,756.40	1,393.48		
Acquired 04/19/10 L nc								177.84	3.08
NEXTERA ENERGY INC NEE	1.38	92	48.41	4,453.72	60.8800	5,600.96	1,147.24		
Acquired 04/16/10 L nc								202.40	3.61
NORDSTROM INC JWN	109	42.99	4,686.96		5,418.39	5,418.39	731.43		
Acquired 04/16/10 L nc	8	46.19	369.52		397.68	397.68	28.16		
<b>Total</b>	<b>1.43</b>	<b>117</b>		<b>\$5,056.48</b>	<b>49.7100</b>	<b>\$5,816.07</b>	<b>\$759.59</b>	<b>\$107.84</b>	<b>1.85</b>
NORFOLK SOUTHERN CORP NSC	1.36	76	59.54	4,525.04	72.8600	5,537.36	1,012.32		
Acquired 04/16/10 L nc								130.72	2.38
NORTHEAST UTILITIES NU	1.32	149	27.44	4,089.75	36.0700	5,374.43	1,284.68		
Acquired 04/16/10 L nc								163.90	3.04
NOVARTIS AG SPON ADR NVS	71	53.10	3,770.61		4,059.07	4,059.07	288.46		
Acquired 10/16/07 L nc	17	44.28	752.76		971.88	971.88	219.13		
Acquired 05/26/10 L nc									
<b>Total</b>	<b>1.24</b>	<b>88</b>		<b>\$4,523.37</b>	<b>57.1700</b>	<b>\$5,030.98</b>	<b>\$907.59</b>	<b>\$178.44</b>	<b>3.51</b>
OWENS & MINOR INC NEW OMI	1.03	150	31.36	4,705.49	27.7900	4,168.50	-536.99		
Acquired 04/16/10 L nc								120.00	2.87

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DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER.

## Stocks, options &amp; ETFs

## Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME		UNREALIZED GAIN/LOSS
							ANNUAL INCOME	YIELD (%)	
PAYCHEX INC PAYX		153	30.82	4,716.23	4,606.83	4,094.40			
Acquired 04/16/10 Lnc	15	31.95	479.25	451.65	-27.60				
Acquired 05/18/11 S									
<b>Total</b>	<b>1.24</b>	<b>168</b>		<b>\$5,195.48</b>	<b>30,1100</b>	<b>\$5,058.48</b>		<b>\$137.00</b>	<b>\$215.04</b>
PEPSICO INCORPORATED PEP		72	45.25	3,258.00	4,777.20	1,519.20			
Acquired 07/03/01 Lnc	3	71.01	213.03	199.05	-13.98				
Acquired 05/18/11 S									
<b>Total</b>	<b>1.22</b>	<b>75</b>		<b>\$3,477.03</b>	<b>66.3500</b>	<b>\$4,978.25</b>		<b>\$154.50</b>	<b>3.10</b>
PIEDMONT NATURAL GAS CO PNY		158	27.54	4,352.74	5,368.84	1,016.10			
Acquired 04/16/10 Lnc	15	25.22	378.30	509.70	131.40				
Acquired 05/26/10 Lnc									
<b>Total</b>	<b>1.45</b>	<b>173</b>		<b>\$4,731.04</b>	<b>33.9800</b>	<b>\$5,878.54</b>		<b>\$1,147.50</b>	<b>\$200.88</b>
POLARIS IND'S INC PII		1.43	104	28.07	2,919.80	55.9800	5,821.92	2,902.12	93.80
Acquired 04/16/10 Lnc									1.60
PRAXAIR INC PX		1.34	51	87.01	4,437.51	106.9000	5,451.90	1,014.39	102.00
Acquired 04/16/10 Lnc									1.87
PROCTER & GAMBLE CO PG		75	53.89	4,041.75	5,003.25	961.50			
Acquired 03/07/05 Lnc	5	67.44	337.20	333.55	-3.65				
Acquired 05/18/11 S									
<b>Total</b>	<b>1.31</b>	<b>80</b>		<b>\$4,378.95</b>	<b>68.7100</b>	<b>\$5,338.80</b>		<b>\$957.85</b>	<b>\$168.00</b>
REALTY INCOME CORP REIT O		128	149	31.42	4,681.91	34.9600	5,209.04	527.13	260.15
Acquired 04/16/10 Lnc		31.72	4,727.76						4.99
ROYAL DUTCH SHELL PLC ADR CLA RDS/A		1.39	77	61.06	4,701.62	73.0900	5,627.93	926.31	218.91
Acquired 04/16/10 Lnc									3.80

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER:Stocks, options & ETFs  
Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	ESTIMATED	
							ANNUAL INCOME	ANNUAL YIELD (%)
SCANA CORP COM								
SCG								
Acquired 04/16/10 L nc		122	38.69	4,721.38		5,497.32	775.94	
Acquired 05/18/11 S		6	41.68	250.08		270.36	20.28	
<b>Total</b>	<b>1.42</b>	<b>128</b>	<b>\$4,971.48</b>	<b>45,0600</b>	<b>\$5,787.88</b>	<b>\$798.22</b>	<b>\$248.32</b>	<b>4.31</b>
SIGMA ALDRICH CORP								
SIAL								
Acquired 04/16/10 L nc		1.20	78	55.71	4,345.38	62,4600	4,871.88	
SOUTH JERSEY IND INC								
SJI								
Acquired 04/19/10 L nc		1.37	98	42.28	4,144.32	56,8100	5,567.38	
SYSCO CORPORATION								
SYY								
Acquired 04/16/10 L nc		159	29.61	4,709.55		4,663.47	46.08	
Acquired 05/18/11 S		7	32.49	227.43		205.31	-22.12	
<b>Total</b>	<b>1.20</b>	<b>166</b>	<b>\$4,936.98</b>	<b>29,3300</b>	<b>\$4,868.78</b>	<b>\$88.20</b>	<b>\$178.28</b>	<b>3.68</b>
TARGET CORP								
TGT								
Acquired 07/03/01 L nc		85	35.86	3,048.10		4,353.70	1,305.60	
Acquired 05/18/11 S		21	49.31	1,035.51		1,075.62	40.11	
<b>Total</b>	<b>1.34</b>	<b>106</b>	<b>\$4,083.61</b>	<b>51.2200</b>	<b>\$5,428.32</b>	<b>\$1,345.71</b>	<b>\$127.20</b>	<b>2.34</b>
TEVA PHARMACEUTICAL ADR IND'S LTD								
TEVA								
Acquired 05/18/11 S		1.07	108	49.60	5,357.51	40,3600	4,358.88	
THE SOUTHERN COMPANY								
SO								
Acquired 11/14/11 S		1.24	109	43.57	4,749.76	46,2900	5,045.61	
UNITED PARCEL SERVICE-B								
UPS								
Acquired 04/16/10 L nc		69	68.46	4,723.74		5,050.11	326.37	
Acquired 05/18/11 S		4	73.59	294.36		292.76	-1.60	
<b>Total</b>	<b>1.31</b>	<b>73</b>	<b>\$5,018.10</b>	<b>73,1900</b>	<b>\$5,342.87</b>	<b>\$324.77</b>	<b>\$151.84</b>	<b>2.84</b>



## MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBERStocks, options & ETFs  
Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ANNUAL YIELD (%)
UNITED TECHNOLOGIES CORP UTX	1.12	62	33.03	2,048.17	73.0900	4,531.58	2,483.41	119.04	2.62
VF CORPORATION VFC	1.41	45	82.74	3,723.30	126.9900	5,714.55	1,981.25	129.60	2.26
WAL-MART STORES INC WMT	86	54.41	4,679.26	55.05	550.50	5,139.36	460.10		
Acquired 04/16/10 L nc Acquired 04/16/10 L nc Acquired 05/18/11 S	10					597.60	47.10		
<b>Total</b>	<b>1.41</b>	<b>96</b>		<b>\$5,229.76</b>	<b>59.7600</b>	<b>\$5,736.96</b>	<b>\$507.20</b>	<b>\$140.16</b>	<b>2.44</b>
3M CO MMM									
Acquired 10/16/01 L nc	1.15	57	52.83	3,011.59	81.7300	4,658.61	1,647.02	125.40	2.69
<b>Total Stocks and ETFs</b>	<b>88.43</b>			<b>\$307,519.78</b>		<b>\$359,331.97</b>	<b>\$51,812.19</b>	<b>\$9,892.47</b>	<b>2.76</b>
<b>Total Stocks, options &amp; ETFs</b>	<b>88.43</b>			<b>\$307,519.78</b>		<b>\$359,331.97</b>	<b>\$51,812.19</b>	<b>\$9,892.47</b>	<b>2.76</b>

nc Cost information for this tax lot is not covered by IRS reporting requirements Unless indicated, cost for all other lots will be reported to the IRS

DECEMBER 1 - DECEMBER 31, 2011  
ACCOUNT NUMBER:**Fixed Income Securities**

Corporate and municipal bonds and other fixed income securities are priced by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value

**Government Bonds**

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED		
								ACCRUED INTEREST	ANNUAL INCOME	ANNUAL YIELD (%)
FEDL HOME LOAN MTG CORP NOTES										
CPN 5.125% DUE 07/15/12										
DTD 07/16/02 FC 01/15/03										
Moody AAA, S&P AA+										
REMAIN BAL 10,000.00										
DEC FACTOR 1.00000000										
CUSIP 31344A4QD9	2.53	10,000	1.01	10,155.47	102.7200	10,272.00	116.53	234.90	512.50	4.98
Acquired 11/18/05 Lnc										
FEDERAL HOME LOAN BANK BONDS										
CPN 5.000% DUE 03/08/13										
DTD 02/15/06 FC 09/08/06										
Moody AAA, S&P AA+										
REMAIN BAL 10,000.00										
DEC FACTOR 1.00000000										
CUSIP 3133XESS91	2.60	10,000	0.99	8,922.20	105.6580	10,565.80	643.60	155.56	500.00	4.73
Acquired 03/23/06 Lnc										
<b>Total Government Bonds</b>	<b>5.13</b>	<b>20,000</b>		<b>\$20,077.67</b>		<b>\$760.13</b>		<b>\$390.46</b>	<b>\$1,012.50</b>	<b>4.86</b>
<b>Total Fixed Income Securities</b>	<b>5.13</b>			<b>\$20,077.67</b>		<b>\$760.13</b>		<b>\$390.46</b>	<b>\$1,012.50</b>	<b>4.86</b>

nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS.

