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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 2011, and ending

Frank A. Morbeck Community Foundation,
Inc.
P.O. Box 709
Wallace, ID 83873A Employer identification number
82-0509175B Telephone number (see the instructions)
208 752-1154C 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 changeD 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 foundationE 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, column (c), line 16)
\$ 3,078,719.
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) (see instructions))

	(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 (att sch)				
2 Ck ☒ if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	1.	1.	1.	
4 Dividends and interest from securities	109,116.	109,116.	109,116.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	27,741.			
b Gross sales price for all assets on line 6a	1,243,847.			
7 Capital gain net income (from Part IV, line 2)		27,741.		
8 Net short-term capital gain			17,765.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit/(loss) (att sch)				
d Other income (attach schedule)				
11 Total. Add lines 1 through 10	136,858.	136,858.	126,882.	
12 Compensation of officers, directors, trustees, etc	550.			
13 Other employee salaries and wages				
14 Pension plans, employee benefits				
15a Legal fees (attach schedule) See St 1	3,056.			3,056.
b Accounting fees (attach sch) See St 2	770.	770.		
c Other prof fees (attach sch) See St 3	3,000.			3,000.
16 Interest				
17 Taxes (attach schedule)(see instrs) See Stm 4	4,788.	2,011.		
18 Depreciation (attach sch) and depletion				
19 Occupancy				
20 Travel, conferences, and meetings				
21 Printing and publications				
22 Other expenses (attach schedule) See Statement 5	1,588.			1,588.
23 Total operating and administrative expenses. Add lines 13 through 22	13,752.	2,781.		7,644.
24 Contributions, gifts, grants paid Part XV	141,030.			141,030.
25 Total expenses and disbursements. Add lines 23 and 24	154,782.	2,781.	0.	148,674.
26 Subtract line 25 from line 11:				
a Excess of revenue over expenses and disbursements	-17,924.			
b Net investment income (if negative, enter 0)		134,077.		
c Adjusted net income (if negative, enter 0)			126,882.	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end of year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash – non-interest-bearing	4,233.	10,960.	10,961.
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,600.	2,100.	2,100.
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)	2,916,348.	2,891,197.	3,065,658.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe _____)				
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	2,922,181.	2,904,257.	3,078,719.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe _____)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
N E T A S S E T S F U N D B A L A N C E S	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			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	2,922,181.	2,904,257.	
	30 Total net assets or fund balances (see instructions)	2,922,181.	2,904,257.	
	31 Total liabilities and net assets/fund balances (see instructions)	2,922,181.	2,904,257.	

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	2,922,181.
2 Enter amount from Part I, line 27a	2	-17,924.
3 Other increases not included in line 2 (itemize) _____	3	
4 Add lines 1, 2, and 3	4	2,904,257.
5 Decreases not included in line 2 (itemize) _____	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	2,904,257.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 6				
b				
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			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
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	27,741.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	17,765.

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 the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	154,482.	2,952,276.	0.052326
2009	128,489.	2,534,618.	0.050694
2008	171,808.	3,016,611.	0.056954
2007	178,428.	3,578,679.	0.049859
2006	160,993.	3,306,475.	0.048690

2 Total of line 1, column (d)	2	0.258523
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.051705
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,148,856.
5 Multiply line 4 by line 3	5	162,812.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,341.
7 Add lines 5 and 6	7	164,153.
8 Enter qualifying distributions from Part XII, line 4	8	148,674.

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)

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	2,682.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	2,682.
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	2,682.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	2,100.	
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	2,100.	
8 Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached	8	16.	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	598.	
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
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		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		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ID _____		
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	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		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		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)		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)		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	X	
14	The books are in care of <u>Hull & Branstetter, Chartered</u> Telephone no. <u>208 752-1154</u> Located at <u>P.O. Box 709, Wallace, ID</u> ZIP + 4 <u>83873</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 <u>15</u>	N/A	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?	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country		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?	☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ☐	1b	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?	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? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	☐ Yes ☒ 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)	2b	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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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)	3b	N/A
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

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b X

If 'Yes' to 6b, file Form 8870

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

☐ Yes ☒ No

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

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 7		550.	0.	0.

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

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

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

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 (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		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 The Foundation provides scholarships to young people and makes donations to qualified nonprofit organizations in and around the City of Wallace, Idaho to support their charitable activities.	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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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	3,178,504.
b Average of monthly cash balances	1b	18,304.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	3,196,808.
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	3,196,808.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	47,952.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,148,856.
6 Minimum investment return. Enter 5% of line 5	6	157,443.

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	157,443.
2a Tax on investment income for 2011 from Part VI, line 5	2a	2,682.	
b Income tax for 2011 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	2,682.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	154,761.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	154,761.
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	154,761.

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	148,674.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	148,674.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	148,674.

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

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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				154,761.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			56,442.	
b Total for prior years 20__, 20__, 20__		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 ▶ \$ 148,674.				
a Applied to 2010, but not more than line 2a			56,442.	
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				92,232.
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 instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				62,529.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	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 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)				
a Paid during the year See Statement 9				
Total			▶ 3a	141,030.
b Approved for future payment				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(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	1.	
4 Dividends and interest from securities			14	109,116.	
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					27,741.
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)				109,117.	27,741.
13 Total. Add line 12, columns (b), (d), and (e)				13	136,858.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal	\$ 3,056.			\$ 3,056.
Total	<u>\$ 3,056.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 3,056.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax preparation	\$ 770.	\$ 770.		
Total	<u>\$ 770.</u>	<u>\$ 770.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Secretarial services	\$ 3,000.			\$ 3,000.
Total	<u>\$ 3,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 3,000.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise prior yr	\$ 2,777.			
Foreign tax paid	2,011.	\$ 2,011.		
Total	<u>\$ 4,788.</u>	<u>\$ 2,011.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Awards promotion and publicity	\$ 1,540.			\$ 1,540.
Office & meeting exp	48.			48.
Total	<u>\$ 1,588.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 1,588.</u>

Statement 6
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	DAD & Co capital gain distributions	Purchased	Various	Various
2	7189 Washington Mut Inv CL A	Purchased	12/17/2010	1/31/2011
3	19095 Income Fund of America A	Purchased	Various	2/23/2011
4	178 Income Fund of America A	Purchased	Various	6/24/2011
5	23516 Income Fund of America A	Purchased	Various	6/28/2011
6	355 Lord Abbett Core A	Purchased	9/29/2009	9/26/2011
7	13310 Lord Abbett Core A	Purchased	12/11/2009	10/04/2011
8	3464 Lord Abbett Core A	Purchased	12/11/2009	11/23/2011
9	9787 Lord Abbett Bond Deb	Purchased	3/09/2007	3/18/2011
10	4261 Lord Abbett Bond Deb	Purchased	8/07/2007	7/28/2011
11	1323 Lord Abbett Bond Deb	Purchased	10/09/2007	9/06/2011

	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Item	Gross Sales	Deprec. Allowed	Cost Basis	Gain (Loss)	FMV 12/31/69	Adj. Bas. 12/31/69	Excess (i) - (j)	Gain (Loss)
1	3,382.		0.	3,382.				\$ 3,382.
2	197,465.		179,700.	17,765.				17,765.
3	325,000.		321,886.	3,114.				3,114.
4	3,000.		2,999.	1.				1.
5	400,000.		396,399.	3,601.				3,601.
6	4,000.		3,986.	14.				14.
7	150,000.		149,439.	561.				561.
8	39,000.		38,932.	68.				68.
9	78,000.		77,916.	84.				84.
10	34,000.		34,344.	-344.				-344.
11	10,000.		10,505.	-505.				-505.
							Total	\$ 27,741.

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Statement 7
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Michael K. Branstetter P.O. Box 709 Wallace, ID 83873	President/Direc 1.00	\$ 100.	\$ 0.	\$ 0.
Dick L. Vester 425 Pine Street Wallace, ID 83873	Director/VP 1.00	100.	0.	0.
Bill Mooney 516 Pine Street Wallace, ID 83873	Director 1.00	50.	0.	0.
Marilyn White P.O. Box 1089 Wallace, ID 83873	Director/Sec. 2.00	100.	0.	0.
Robert Rannells PO Box 951 Osburn, ID 83849	Director 1.00	100.	0.	0.
Kathy Zanetti P.O. Box 926 Wallace, ID 83873	Director 1.00	0.	0.	0.
Jennifer Carrico 307 Cedar Street Wallace, ID 83873	Director 1.00	100.	0.	0.
Total		\$ 550.	\$ 0.	\$ 0.

Statement 8
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
 Name: Marilyn White
 Care Of:
 Street Address: P.O. BOX 709
 City, State, Zip Code: Wallce, ID 83873
 Telephone:
 Form and Content: Application received from above.
 Submission Deadlines: March 1st
 Restrictions on Awards: Restricted to organizations in or benefiting the City of
 Wallace, Idaho.

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Statement 9
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Wallace School District 401 River Street Wallace, ID 83873	No	Public	Educational support and equipment	\$ 34,780.
Nine Mile Cemetery Assoc, Inc. P.O. Box 469 Wallace, ID 83873	No	Public	Cemetery maintenance	1,500.
Northern Pacific Depot Found. P.O. Box 469 Wallace, ID 83873	No	Public	Facilities repair	2,500.
Silver Valley Baseball/Basketball Wallace, ID 83873	No	Public	To buy equipment	1,200.
S.V. American Legion Wallace, ID 83873	No	Public	Youth activities	600.
Wallace Chamber of Commerce P.O. Box 1167 Wallace, ID 83873	No	Public	Festival expenses	10,100.
University of Idaho Financial Aid Office Moscow, ID 83844	No	Public	Scholarships	40,900.
Lewis Clark State College Lewiston, ID	No	Pvt Sc	Scholarship	1,300.
North Idaho College 1000 W. Garden Ave Coeur d'Alene, ID 83814	No	Public	Scholarships	14,100.
Wallace Mining Museum PO Box 469 Wallace, ID 83873	No	Public	Museum	4,500.
Wallace Elks Lodge #331 Cedar St Wallace,, ID 83873	No	Public	Youth activities	3,000.
Sixth Street Melodrama 212 Sixth St. Wallace, ID 83873	No	Public	Arts	1,500.
Morbeck Community Committee PO Box 709 Wallace, ID 83873		Public	Youth	4,000.

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Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Morbeck Youth Committee PO Box 709 Wallace, ID 83873	No	Public	Youth activities	\$ 4,000.
Mining Heritage Exhibit 509 Bank St. Wallace, ID 83873	No	Public	Education	1,500.
Shoshone Community Concert Wallace, ID 83873	No	Public	Arts	750.
Wallace Public Library Fdn 412 River St Wallace, ID 83873	No	Public	Education	1,000.
Gozaga University Boone Street Spokane, WA 99201	No	Public	Education	1,500.
Arizona State University Univ Dr. & Mill Ave Tempe, AZ 85287	No	Public	Scholarships	4,300.
Montana Tech 1300 W Park St Butte, MT 59701	No	Public	Scholarships	2,000.
Toni Guy Academy 309 W Riverside Ave Spokane, WA 99201	No	Public	Scholarships	500.
Idaho State University ,	No	Public	Scholarships	1,200.
Edmunds Community College 20000 68th Ave W Lynnwood, WA 98036	No	Public	Scholarships	1,000.
Chemeketa Community College PO Box 14007 Salem, OR 97309	No	Public	Scholarships	1,800.
Southern Oregon University 1250 Siskiyou Blvd Ashland, OR 97520	No	Public	Scholarships	1,500.
Total				\$ 141,030.