



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

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

2011For calendar year 2011 or tax year beginning **November 1**, 2011, and ending **October 31**, 20 **12**

Name of foundation Wm. and Lorene Nefsy Foundation		A Employer identification number 81-0473714
Number and street (or P O box number if mail is not delivered to street address) P O Box 250	Room/suite	B Telephone number (see instructions) 406-234-8420
City or town, state, and ZIP code Miles City, MT 59301		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,614,266	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)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	95	95		
	4 Dividends and interest from securities	48,851	48,851		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(1,374)			
	b Gross sales price for all assets on line 6a	166,414			
	7 Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	47,572	48,946			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	845			845
	c Other professional fees (attach schedule)	9,264	9,264	Inv. Adv. fees	
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,205			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	15			15
	24 Total operating and administrative expenses. Add lines 13 through 23				
	25 Contributions, gifts, grants paid	72,975			72,975
26 Total expenses and disbursements. Add lines 24 and 25	84,304	9,204		73,835	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(36,732)				
b Net investment income (if negative, enter -0-)		39,742			
c Adjusted net income (if negative, enter -0-)					

RECEIVED

MAR 18 2013

ODDEN, UT

IRS/OSC

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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash—non-interest-bearing	11,207	5,324	5,324
	2 Savings and temporary cash investments	818,609	821,292	821,292
	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 schedule) ▶			
	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 (attach schedule)			
	b Investments—corporate stock (attach schedule)	855,471	821,938	787,650
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	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)	1,685,287	1,648,554	1,614,266
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)			
	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	900,000	900,000	
Net Assets or Fund Balances	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	785,287	748,554	
	30 Total net assets or fund balances (see instructions)	1,685,287	1,648,554	
	31 Total liabilities and net assets/fund balances (see instructions)	1,685,287	1,648,554	

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	1,685,287
2 Enter amount from Part I, line 27a	2	(36,732)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,648,555
5 Decreases not included in line 2 (itemize) ▶ Rounding	5	(1)
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,648,554

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a schedule attached				
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 166,414		167,788	(1,374)	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0- or Losses (from col. (h))	
a			(1,374)	
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	(1,374)
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	

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.

(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	62,034	1,544,201	.0402
2009	65,335	1,519,517	.0430
2008	95,113	1,442,742	.0659
2007	108,666	1,715,720	.0633
2006	97,517	2,048,500	.0476
2 Total of line 1, column (d)			2 .2600
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 .0520
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 1,589,999
5 Multiply line 4 by line 3			5 82,680
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 397
7 Add lines 5 and 6			7 83,077
8 Enter qualifying distributions from Part XII, line 4 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.			8 73,835

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1		795
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		795
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		795
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		795
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2012 estimated tax Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		✓
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. ▶ \$ (2) On foundation managers. ▶ \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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? <i>If "Yes," attach a conformed copy of the changes.</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Montana		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
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)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶				
14	The books are in care of ▶ Stan Markuson	Telephone no. ▶	406-234-8420	
	Located at ▶ 700 Main, Miles City, MT	ZIP+4 ▶	59301	
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		
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	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 ▶			✓

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)?	1b	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No		
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
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	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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	✓

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)?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? ☐ 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? ☐ Yes ☒ No

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? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (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
Stan Markuson Box 250, Miles City MT 59301	Trustee-1 hr/wk	-0-	-0-	-0-
Caren Coffee 1510 Tomy, Miles City, MT 59301	Trustee-1 hr/wk	-0-	-0-	-0-
William Coffee, 2944 Gregory Dr S, Billings MT 59102	Trustee-1 hr/wk	-0-	-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 ☐

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 ▶

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 Miles City Youth Hockey-youth activities	17,500
2 Pondera Arts Council-Cultural/Historic support	14,000
3 Range Riders Museum-Cultural/historic support	5,750
4 Miles City Youth Baseball Assoc.-youth athletics	4,375

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	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ▶	

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	1,561,524
b	Average of monthly cash balances	1b	52,688
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,614,212
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,614,212
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	24,213
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,589,999
6	Minimum investment return. Enter 5% of line 5	6	79,500

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	79,500
2a	Tax on investment income for 2011 from Part VI, line 5 2a	795	
b	Income tax for 2011. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	795
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	78,705
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	78,705
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	78,705

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	73,835
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	73,835
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	73,835

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				78,705
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			72,426	
b Total for prior years: 20____, 20____, 20____				
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	None			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 73,835				
a Applied to 2010, but not more than line 2a			72,426	
b Applied to undistributed income of prior years (Election required—see instructions)		None		
c Treated as distributions out of corpus (Election required—see instructions)	None			
d Applied to 2011 distributable amount				1,409
e Remaining amount distributed out of corpus	None			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	None			None
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	None			
b Prior years' undistributed income. Subtract line 4b from line 2b		None		
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		None		
d Subtract line 6c from line 6b Taxable amount—see instructions		None		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			None	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				77,296
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	None			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	None			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	None			
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)

1a	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 ▶	N/A				
b	Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 $\frac{2}{3}$ 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).)

None

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:

Stan Markuson, Box 250, Miles City< MT 59301

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

Written application as described in bylaws.

c Any submission deadlines:

If applying for education support, 60 days prior to commencement of academic year.

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

Qualified organization in general trade are as surrounding cities in which Stockman Banks are located.

Form **990-PF** (2011)

Wm. & Lorene Nefsy Foundation
Schedule of Investments
October 31, 2012
81-0473714

	<u>Cost</u>	<u>FMV</u>
Common stocks (all publicly traded)		
3M Company	\$ 22,413	\$ 23,652
Avon	30,169	14,251
Eli Lilly	43,219	37,931
Glaxosmith	39,286	41,757
Pfizer	60,431	49,491
Johnson & Johnson	34,592	39,659
Kimberly-Clark	20,690	29,208
Garnett	70,045	21,125
Home Depot	27,533	46,035
Walmart	23,632	37,510
Wells Fargo	100,828	73,411
Lowe's	47,769	54,398
General Electric	24,129	18,954
United Technologies	11,851	17,586
Intel	7,374	10,815
Microsoft	8,359	14,270
BP Amoco	21,775	23,590
Sysco	19,983	23,302
Honeywell Int'l	12,972	21,434
Cisco Systems	20,205	15,773
Exxon Mobil	19,869	29,174
Bank of New York	22,710	22,239
Exelon	31,261	26,835
Dell	26,095	15,893
J P Morgan Chase	15,570	19,590
Baker Hughes	25,787	22,874
Ingersoll Rand	19,838	23,045
Proctor & Gamble	13,553	13,848
	\$ <u>821,938</u>	\$ <u>787,650</u>

Wm & Lorene Nefsy Foundation
2011-2012 Contributions
Required Distribution
To be Distributed by 10-31-12

<u>Recipient</u>	<u>General Purpose</u>	<u>Amount</u>
Barrett Hospital, Dillon MT	501©(3) Community Healthcare	\$ 3,500.00
Glendive Montana Devils, Glendive MT	501©(3) Youth Athletics	1,200.00
Custer County Art & Heritage Center, Miles City MT	501©(3) Cultural/Historic Support	2,000.00
Bozeman Deaconess Foundation, Bozeman, MT	501©(3) Community Healthcare	3,500.00
Halos Baseball Program, Miles City, MT	501©(3) Youth Athletics	1,000.00
Pondera Arts Council, Conrad, MT	501©(3) Cultural/Historic Support	14,000.00
MCC Outreach Program, Miles City, MT	Gov't Entity Education/ Community Support	250.00
Custer County Senior Citizens Drop In Center, Miles City MT	501©(3) Elder Care/Community Support	1,000.00
Sanders Community Hall, Inc. Sanders, MT	501©(3) Elder Care/Community Support	1,400.00
Miles City Community Orchestra, Miles City, MT	501©(3) Cultural/Historic Support	1,500.00
Savage Sunrise Manor, Savage, MT	501©(3) Community Healthcare	3,000.00
Richey Booster Club, Richey MT	Gov't Entity Youth Athletics/ Community Support	3,000.00
Sidney High School, Sidney, MT	Gov't Entity Youth Athletics	3,500.00
The University of MT Western Foundation, Dillon, MT	501©(3) Youth Athletics/ Community Support	3,500.00
Orpheum Theatre, Conrad, MT	501©(3) Cultural/Historic Support	1,500.00
Montana Cowboy Hall of Fame & Western Heritage Legacy Campaign, Big Timber, MT	501©(3) Cultural/Historic Support	1,500.00 17,500.00
Range Riders Museum, Miles City MT	501©(3) Cultural/community Support	5,750.00
Miles City Youth Baseball Assn., Miles City, MT	501©(3) Youth Activities	4,375.00
Total		\$ <u>75,975.00</u>

William and Lorene Nefsy Foundation
Schedule of Capital Gains and Losses
October 31, 2011
81-0473714

	Purchase/ Donation	Date Acq'd	Date Sold	Sale Price	Cost	L.T. Gain/Loss	S.T. Gain/Loss
	P	12-1-09	11-10-11	\$ 37,719.00	\$ 33,609.00	\$ 4,110.00	\$
500 sh.-Berkshire	P	9-29-06	12-8-11	8,870.00	8,076.00	794.00	
220 sh.- Home Depot	P	9-29-06	3-1-12	11,880.00	9,178.00	2,702.00	
250 sh.-Home Depot	P	9-27-07	3-1-12	7,058.00	7,109.00	(51.00)	
250 sh.-Lowe's	P	4-15-09	1-27-12	8,581.00	6,784.00	1,797.00	
400 sh.-MDU Res.	P	4/11 & 3/12	8-8-12	7,452.00	25,993.00	(15,014.00)	(3,527)
3210 sh.-Supervalu	P	4-4-11	3-14-12	23,472.00	19,999.00	515.00	3,473
400 sh.-Target	P	4-27-06	3-30-12	31,521.00	31,006.00	515.00	
1000 sh.-US Bancorp	P	4-27-06	8-6-12	18,285.00	17,054.00	1,231.00	
550 sh.-US Bancorp	P	5-16-07	3-26-12	11,576.00	8,980.00	2,596.00	
190 sh.-Walmart	P			<u>166,414.00</u>	<u>167,788.00</u>	<u>(1,320.00)</u>	<u>(54)</u>