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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.

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation MORSMAN FAMILY FOUNDATION		A Employer identification number 41-2008689
Number and street (or P O box number if mail is not delivered to street address) 4011 E VALLEY ROAD		B Telephone number (952) 476-4919
City or town, state, and ZIP code DEEPHAVEN, MN 55391		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 425,460. (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 <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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		13,676.	13,676.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		537.			
b Gross sales price for all assets on line 6a		15,394.			
7 Capital gain net income (from Part IV, line 2)			537.		
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		391.	391.		STATEMENT 2
12 Total. Add lines 1 through 11		14,604.	14,604.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		1,150.	0.		1,150.
c Other professional fees STMT 4		4,327.	4,327.		0.
17 Interest					
18 Taxes STMT 5		371.	77.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		79.	0.		79.
24 Total operating and administrative expenses. Add lines 13 through 23		5,927.	4,404.		1,229.
25 Contributions, gifts, grants paid		18,200.			18,200.
26 Total expenses and disbursements. Add lines 24 and 25		24,127.	4,404.		19,429.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<9,523.>			
b Net investment income (if negative, enter -0-)			10,200.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	26,174.	4,831.	4,831.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	307,520.	329,496.	410,541.
	c Investments - corporate bonds STMT 8	20,078.	9,922.	10,088.
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)	353,772.	344,249.	425,460.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <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	353,772.	344,249.	
	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	353,772.	344,249.	
	31 Total liabilities and net assets/fund balances	353,772.	344,249.	

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	353,772.
2 Enter amount from Part I, line 27a	2	<9,523.>
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	344,249.
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	344,249.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES		P		
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 15,394.		14,857.	537.	
b				
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			537.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> <div style="margin-left: 10px;">2</div> </div>		537.
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		<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> { If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 </div> <div style="margin-left: 10px;">3</div> </div>		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 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 (col. (b) divided by col. (c))
2011	18,675.	404,263.	.046195
2010	15,825.	365,644.	.043280
2009	22,084.	323,962.	.068168
2008	24,435.	417,837.	.058480
2007	22,809.	495,307.	.046050
2 Total of line 1, column (d)			2 .262173
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 .052435
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 414,904.
5 Multiply line 4 by line 3			5 21,755.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 102.
7 Add lines 5 and 6			7 21,857.
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 19,429.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	204.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> 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	0.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	204.
3	Add lines 1 and 2	4	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	5	204.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	204.
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 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c 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
4a 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?		
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, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>MN</u>		
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 2012 or the taxable year beginning in 2012 (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

N/A

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		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► EDGAR MORSMAN JR Located at ► 4011 E VALLEY RD, DEEPHAVEN, MN Telephone no. ► (952) 476-4919 ZIP+4 ► 55391			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2012, 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	Yes	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	1b	
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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 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 2012.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	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)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐

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

N/A

☐ Yes ☐ No

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

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

☐ Yes ☒ No

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

6b

X

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

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

☐ Yes ☒ No

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

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		0.	0.	0.

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

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

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

0

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

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

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	410,775.
b	Average of monthly cash balances	1b	10,447.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	421,222.
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	421,222.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	6,318.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	414,904.
6	Minimum investment return. Enter 5% of line 5	6	20,745.

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	20,745.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	204.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	204.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	20,541.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	20,541.
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	20,541.

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	19,429.
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	19,429.
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	19,429.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				20,541.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			17,933.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 19,429.				
a Applied to 2011, but not more than line 2a			17,933.	
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 2012 distributable amount				1,496.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (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 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				19,045.
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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part XV. Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
BRADFORD BRINTON MEMORIAL AND MUSEUM PO BOX 460 BIG HORN, WY 82833	NONE	PUBLIC CHARITY	ART AND HISTORICAL MUSEUM	850.
AMHERST H. WILDER FOUNDATION 451 LEXINGTON PARKWAY NORTH ST. PAUL, MN 55104	NONE	PUBLIC CHARITY	ASSISTS VULNERABLE PEOPLE THROUGH SERVICES, RESEARCH, AND AID.	500.
COLORADO ENVIRONMENTAL COALITION 1536 WYNKOOP, #5C DENVER, CO 80202	NONE	PUBLIC CHARITY	GRASS ROOTS VOICE FOR CONSERVATION IN COLORADO.	866.
DUMB FRIENDS LEAGUE 2080 SOUTH QUEBEC STREET DENVER, CO 80231-3298	NONE	PUBLIC CHARITY	PROVIDES HOMES FOR DOGS.	867.
EMERGENCY FOOD SHELF NETWORK 8501 54TH AVENUE NORTH NEW HOPE, MN 55428	NONE	PUBLIC CHARITY	PROVIDES FOOD FOR THE POOR.	800.
Total	SEE CONTINUATION SHEET(S)			18,200.
b Approved for future payment				
NONE				
Total				0.

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. | | |


[illegible]

- 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.

 Edgar M. Morzman, President
Signature of officer or trustee

Date _____

4/30/13

► PRESIDENT

Title

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ self-employed

PTIN

KIM HUNWARDSEN, CPA

KIM HUNWARDSEN, C

04/22/13

P00484560

Firm's name ► EIDE BAILLY LLP

Firm's EIN ► 45-0250958

Firm's address ► 800 NICOLLET MALL, STE. 1300
MINNEAPOLIS, MN 55402-7033

Phone no. 612-253-6500

Form **990-PF** (2012)

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
FREEDOM SERVICE DOGS, INC 2000 WEST UNION AVENUE ENGLEWOOD, CO 80110-5567	NONE	PUBLIC CHARITY	RESCUES DOGS FROM SHELTERS, TRAINS THEM TO ASSIST PEOPLE.	867.
HABITAT FOR HUMANITY OF DENVER METRO 1500 WEST 12TH AVENUE DENVER, CO 80204-3410	NONE	PUBLIC CHARITY	LOW INCOME HOUSING	867.
MINNESOTA HOOVED ANIMAL RESCUE FOUNDATION P.O. BOX 47 ZIMMERMAN, MN 55398	NONE	PUBLIC CHARITY	RESCUES, REHABILITATES AND PLACES HORSES.	800.
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.	800.
MINNESOTA PUBLIC RADIO 480 CEDER STREET ST. PAUL, MN 55101-2230	NONE	PUBLIC CHARITY	PUBLIC RADIO STATION FEATURING CLASSICAL, CONTEMPORARY MUSIC, AND NEWS.	500.
OPEN DOOR YOUTH GANG ALTERNATIVES 1615 CALIFORNIA SUITE 712 DENVER, CO 80202	NONE	PUBLIC CHARITY	WORKS AT GIVING KIDS AN ALTERNATIVE TO GANG MEMBERS.	867.
PEOPLE SERVING PEOPLE 614 3RD STREET S. MINNEAPOLIS, MN 55415-1104	NONE	PUBLIC CHARITY	HOMELESS JOBS AND SHELTER PROGRAM.	800.
PLATTE FORUM 1610 LITTLE RAVEN STREET, STE. 135 DENVER, CO 80202	NONE	PUBLIC CHARITY	INTRODUCES UNDERSERVED CHILDREN TO ART AND ARTISTS.	866.
PORTLAND ART MUSEUM 1219 S.W. PARK AVENUE PORTLAND, OR 97205	NONE	PUBLIC CHARITY	ART MUSEUM	2,600.
RAPTOR EDUCATION GROUP, INC. P.O. BOX 481 ANTIGO, WI 54409	NONE	PUBLIC CHARITY	HEALS INJURED BIRDS AND PROVIDES EDUCATION.	850.
Total from continuation sheets				14,317.

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
URBAN SQUASH TWIN CITIES 3413 IRVING AVENUE SOUTH MINNEAPOLIS, MN 55408	NONE	PUBLIC CHARITY	ATHLETIC PROGRAMS AND COACHING FOR UNDERPRIVILEGED YOUTH.	500.
PROJECT FOR PRIDE IN LIVING 1035 FRANKLIN AVENUE EAST MINNEAPOLIS, MN 55404	NONE	PUBLIC CHARITY	HELPS LOW INCOME PEOPLE AND FAMILIES ACHIEVE SELF-SUFFICIENCY.	500.
WYOMING WILDERNESS ASSOCIATION P.O. BOX 6588 SHERIDAN, WY 82801	NONE	PUBLIC CHARITY	WILDERNESS PRESERVATION OF ROCK CREEK.	3,000.
THE LINK 1210 GLENWOOD AVENUE MINNEAPOLIS, MN 55405	NONE	PUBLIC CHARITY	ASSISTS YOUTH IN HOUSING, EDUCATION, AND JUVENILE JUSTICE.	500.
Total from continuation sheets				

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 - DIVIDENDS	12,590.	0.	12,590.
WELLS FARGO - INTEREST INCOME	1,086.	0.	1,086.
TOTAL TO FM 990-PF, PART I, LN 4	13,676.	0.	13,676.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	391.	391.	
TOTAL TO FORM 990-PF, PART I, LINE 11	391.	391.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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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	4
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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	4,327.	4,327.		0.
TO FORM 990-PF, PG 1, LN 16C	4,327.	4,327.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	294.	0.		0.
FOREIGN TAX	77.	77.		0.
TO FORM 990-PF, PG 1, LN 18	371.	77.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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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	54.	0.		54.
TO FORM 990-PF, PG 1, LN 23	79.	0.		79.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PUBLICLY TRADED SECURITIES - SEE ATTACHED	329,496.	410,541.
TOTAL TO FORM 990-PF, PART II, LINE 10B	329,496.	410,541.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT OBLIGATIONS - SEE ATTACHED	9,922.	10,088.
TOTAL TO FORM 990-PF, PART II, LINE 10C	9,922.	10,088.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 9
 TRUSTEES AND FOUNDATION MANAGERS

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 STATEMENT 10
 LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

EDGAR M. MORSMAN, JR.
 ELIZABETH H. MORSMAN



MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
ACCOUNT NUMBER: 00000000000000000000

Stocks, options & ETFs

Stocks and ETFs

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 (%)
ABBOTT LABORATORIES									
ABT									
Acquired 04/16/10 L nc		90	52.17	4,695.30		5,895.00	1,199.70		
Acquired 05/26/10 L nc		8	47.94	383.52		524.00	140.48		
Acquired 05/18/11 L		2	53.65	107.30		131.00	23.70		
Total	1.54	100		\$5,186.12	65.5000	\$6,550.00	\$1,363.88	\$56.00	0.85
ACCENTURE PLC IRELAND									
SHARES CLASS A									
ACN									
Acquired 04/16/10 L nc	1.48	95	43.11	4,096.15	66.5000	6,317.50	2,221.35	153.90	2.43
AFLAC INC									
AFL									
Acquired 04/16/10 L nc		86	54.45	4,682.70		4,568.32	-114.38		
Acquired 05/19/11 L		15	50.22	753.30		796.80	43.50		
Total	1.26	101		\$5,436.00	53.1200	\$5,365.12	-\$70.88	\$141.40	2.64
AIR PRODUCTS & CHEMICALS									
INC									
APD									
Acquired 04/16/10 L nc	1.17	59	76.22	4,496.98	84.0200	4,957.18	460.20	151.04	3.04
ANALOG DEVICES INC									
ADI									
Acquired 04/16/10 L nc	1.25	126	30.53	3,846.78	42.0600	5,299.56	1,452.78	151.20	2.85
APTARGROUP INC									
ATR									
Acquired 04/16/10 L nc	1.14	102	42.48	4,333.92	47.7200	4,867.44	533.52	89.76	1.84
AT & T INC									
T									
Acquired 04/16/10 L nc		84	25.97	2,181.48		2,831.64	650.16		
Acquired 04/19/10 L nc		77	26.19	2,016.63		2,595.67	579.04		
Acquired 05/26/10 L nc		13	24.35	316.55		438.23	121.68		
Total	1.38	174		\$4,514.66	33.7100	\$5,865.54	\$1,350.88	\$313.20	5.34
AUTOMATIC DATA									
PROCESSING									
ADP									
Acquired 04/16/10 L nc	1.34	100	44.29	4,429.72	56.9300	5,693.00	1,263.28	174.00	3.05

ASSET ADVISOR

020 GP GP27

MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
BAXTER INTERNATIONAL INC									
BAX									
Acquired 04/16/10 L nc		80	59.07	4,725.60		5,332.80	607.20		
Acquired 05/18/11 L		10	59.80	598.00		666.60	68.60		
Total	1.41	90		\$5,323.60	66.6600	\$5,999.40	\$675.80	\$162.00	2.70
BECTON DICKINSON & CO									
BDX									
Acquired 05/20/08 L nc		46	83.98	3,863.08		3,696.74	-266.34		
Acquired 04/16/10 L nc		10	77.90	779.00		781.90	2.90		
Acquired 05/26/10 L nc		5	71.68	358.40		390.96	32.55		
Total	1.12	61		\$5,000.48	78.1900	\$4,769.59	-\$230.89	\$120.78	2.53
BROWN AND BROWN INC COM									
BRO									
Acquired 04/16/10 L nc	1.23	206	18.66	3,845.99	25.4600	5,244.76	1,398.77	74.16	1.41
BROWN-FORMAN CORP CL B									
BF/B									
Acquired 04/16/10 L nc	1.67	112	39.26	4,398.00	63.2500	7,084.00	2,686.00	114.24	1.61
CHEVRON CORPORATION									
CVX									
Acquired 12/01/03 L nc	1.35	53	37.87	2,007.37	108.1400	5,731.42	3,724.05	190.80	3.32
CHUBB CORP									
CB									
Acquired 12/06/11 L	1.33	75	67.37	5,052.75	75.3200	5,649.00	596.25	123.00	2.17
CLOROX COMPANY									
CLX									
Acquired 04/16/10 L nc		73	64.44	4,704.12		5,345.06	640.94		
Acquired 05/18/11 L		3	70.20	210.60		219.66	9.06		
Total	1.31	76		\$4,914.72	73.2200	\$5,564.72	\$650.00	\$194.56	3.50
COLGATE-PALMOLIVE CO									
CL									
Acquired 04/16/10 L nc		56	84.15	4,712.40		5,854.24	1,141.84		
Acquired 05/18/11 L		6	85.86	515.16		627.24	112.08		
Total	1.52	62		\$5,227.56	104.5400	\$6,481.48	\$1,253.92	\$153.76	2.37



ASSET ADVISOR

171148R

020 GP GP27



MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
COMMERCE BANCSHARES INC									
CBSH									
Acquired 04/16/10 L nc		132.52380	35.07	4,709.51		4,646.28	-63.23		
Acquired 05/18/11 L		5.47620	43.07	215.35		192.00	-23.35		
Total	1.14	138		\$4,924.86	35.0600	\$4,838.28	-\$86.58	\$128.98	2.62
CONOCOPHILLIPS									
COP									
Acquired 04/16/10 L nc		65	43.32	2,816.10		3,769.35	953.25		
Acquired 05/26/10 L nc		8	38.87	349.89		521.91	172.02		
Total	1.01	74		\$3,165.99	57.9900	\$4,291.26	\$1,125.27	\$185.36	4.55
COSTCO WHSL CORP NEW									
COM									
COST									
Acquired 04/09/09 L nc		61	46.84	2,857.24		6,022.53	3,165.29		
Acquired 04/16/10 L nc		4	59.34	237.36		394.92	157.56		
Total	1.51	65		\$3,094.60	98.7300	\$6,417.45	\$3,322.85	\$71.50	1.11
EATON VANCE CORP NON VTG									
EV									
Acquired 04/16/10 L nc		135	34.69	4,684.23		4,299.75	-384.48		
Acquired 05/18/11 L		32	32.00	1,024.00		1,019.20	-4.80		
Total	1.25	167		\$5,708.23	31.8500	\$5,318.95	-\$389.28	\$133.60	2.51
ECOLAB INC									
ECL									
Acquired 04/16/10 L nc	1.76	104	45.20	4,701.57	71.9000	7,477.60	2,776.03	95.68	1.27
EMERSON ELECTRIC CO									
EMR									
Acquired 04/16/10 L nc		91	51.78	4,711.98		4,819.36	107.38		
Acquired 05/18/11 L		10	53.93	539.30		529.60	-9.70		
Total	1.26	101		\$5,251.28	52.9600	\$5,348.96	\$97.68	\$165.64	3.10
ENERGEN CORPORATION									
EGN									
Acquired 04/16/10 L nc	0.98	92	48.12	4,427.04	45.0900	4,148.28	-278.76	51.52	1.24
EXXON MOBIL CORP									
XOM									
Acquired 07/03/01 L nc	1.34	66	43.59	2,876.94	86.5500	5,712.30	2,835.36	150.48	2.63

MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31 2012
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 (%)
FACTSET RESEARCH SYSTEMS									
INC									
FDS	1.03	50	74.86	3,743.00	88.0600	4,403.00	660.00	0.50	0.01
GENERAL MILLS INC									
GIS	1.27	134	23.29	3,121.53	40.4200	5,416.28	2,294.75	176.88	3.26
GENL DYNAMICS CORP COM									
GD									
Acquired 04/16/10 L nc		62	76.00	4,712.00		4,294.74	-417.28		
Acquired 05/18/11 L		11	74.02	814.22		761.97	-52.25		
Total	1.19	73		\$5,526.22	69.2700	\$5,056.71	-\$469.51	\$148.92	2.94
GRAINGER W W INC									
GWV	1.71	36	105.08	3,782.88	202.3700	7,285.32	3,502.44	115.20	1.58
HARRIS CORP DEL									
HRS									
Acquired 04/16/10 L nc		95	49.36	4,689.20		4,651.20	-38.00		
Acquired 05/18/11 L		15	48.93	733.95		734.40	0.45		
Total	1.27	110		\$5,423.15	48.9600	\$5,385.60	-\$37.55	\$162.80	3.02
ILLINOIS TOOL WORKS INC									
ITW									
Acquired 04/16/10 L nc		88	48.98	4,308.48		5,351.28	1,042.80		
Acquired 05/26/10 L nc		6	45.89	275.34		364.86	89.52		
Total	1.34	94		\$4,583.82	60.8100	\$5,716.14	\$1,132.32	\$142.88	2.50
INTEL CORP									
INTC									
Acquired 07/03/01 L nc		200	30.49	6,098.00		4,124.00	-1,974.00		
Acquired 05/26/10 L nc		23	21.26	488.98		474.26	-14.72		
Acquired 05/18/11 L		5	23.79	118.95		103.10	-15.85		
Total	1.11	228		\$6,705.93	20.6200	\$4,701.36	-\$2,004.57	\$205.20	4.36
INTERNATIONAL BUSINESS									
MACHINE CORP									
IBM	1.44	32	130.86	4,187.52	191.5500	6,129.60	1,942.08	108.80	1.77
Acquired 04/16/10 L nc									



ASSET ADVISOR

031460

020 GP GP27

MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
J M SMUCKER CO									
SJM									
Acquired 04/16/10 L nc	1.44	71	62.02	4,403.42	86,2400	6,123.04	1,719.62	147.68	2.41
JACK HENRY & ASSOC INC									
JKHY									
Acquired 04/16/10 L nc	1.61	174	24.89	4,332.56	39,2600	6,831.24	2,498.68	80.04	1.17
JOHNSON & JOHNSON									
JNJ									
Acquired 07/03/01 L nc		23	51.05	1,174.15		1,812.30	438.15		
Acquired 12/01/03 L nc		50	49.55	2,477.50		3,505.00	1,027.50		
Acquired 05/18/11 L		8	66.38	531.04		560.80	29.76		
Total	1.33	81		\$4,182.89	70,1000	\$5,678.10	\$1,495.41	\$197.64	3.48
JOHNSON CONTROLS INC									
JCI									
Acquired 04/16/10 L nc		116	32.98	3,826.52		3,557.72	-268.80		
Acquired 05/26/10 L nc		23	28.30	650.90		705.41	54.51		
Total	1.00	139		\$4,477.42	30,6700	\$4,263.13	-\$214.29	\$105.64	2.48
KELLOGG COMPANY									
K									
Acquired 04/16/10 L nc		87	53.89	4,688.43		4,858.95	170.52		
Acquired 05/18/11 L		7	57.23	400.61		390.95	-9.66		
Total	1.23	94		\$5,089.04	55,8500	\$5,249.90	\$160.86	\$165.44	3.15
KIMBERLY-CLARK CORP									
KMB									
Acquired 04/16/10 L nc		76	61.91	4,705.16		6,416.68	1,711.52		
Acquired 05/18/11 L		2	58.25	136.50		168.88	32.36		
Total	1.55	78		\$4,841.66	84,4300	\$6,585.54	\$1,743.88	\$230.88	3.51
LOWES COMPANIES INC									
LOW									
Acquired 09/18/12 S	1.63	195	29.18	5,691.43	35,5200	6,926.40	1,234.97	124.80	1.80
MC CORMICK & CO INC									
NON VTG									
MKC									
Acquired 04/16/10 L nc	1.61	108	38.54	4,163.10	63,5300	6,861.24	2,698.14	146.88	2.14

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MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
MCDONALDS CORP MCD	1.39	67	68.80	4,609.60	88.2100	5,910.07	1,300.47	206.36	3.49
MDU RESOURCES GROUP INC MDU									
Acquired 04/16/10 L nc									
Acquired 04/21/10 L nc		113	22.12	2,499.56		2,400.12	-99.44		
Acquired 04/21/10 L nc		100	22.11	2,211.00		2,124.00	-87.00		
Acquired 05/18/11 L		18	23.47	422.46		382.32	-40.14		
Total	1.15	231		\$5,133.02	21.2400	\$4,906.44	-\$226.58	\$159.39	3.25
MICROSOFT CORP MSFT	1.13	180	27.88	5,018.40	26.7097	4,807.74	-210.66	165.60	3.44
NATIONAL FUEL GAS CO NFG	0.94	79	52.62	4,156.98	50.6900	4,004.51	-152.47	115.34	2.88
NEW JERSEY RES CORP NJR	1.09	117	37.28	4,362.92	39.6200	4,635.54	272.62	187.20	4.03
NEXTERA ENERGY INC NEE	1.50	92	48.41	4,453.72	69.1900	6,365.48	1,911.76	220.80	3.46
NORDSTROM INC JWN									
Acquired 04/16/10 L nc		109	42.99	4,686.96		5,831.50	1,144.54		
Acquired 05/18/11 L		8	46.19	369.52		428.00	58.48		
Total	1.47	117		\$5,056.48	53.5000	\$6,259.50	\$1,203.02	\$126.38	2.02
NORFOLK SOUTHERN CORP NSC	1.10	76	59.54	4,525.04	61.8400	4,699.84	174.80	152.00	3.23
NORTHEAST UTILITIES NU	1.37	149	27.44	4,089.75	39.0800	5,822.92	1,733.17	204.42	3.51



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DECEMBER 1 - DECEMBER 31, 2012
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 (%)
NOVARTIS AG SPON ADR NVS									
Acquired 10/16/07 L nc		71	53.10	3,770.61		4,494.30	723.69		
Acquired 05/26/10 L nc		17	44.28	752.76		1,076.10	323.34		
Total	1.31	88		\$4,523.37	63.3000	\$5,570.40	\$1,047.03	\$185.32	3.33
OWENS & MINOR INC NEW OMI									
Acquired 04/16/10 L nc	1.01	150	31.36	4,705.49	28.5100	4,276.50	-428.99	132.00	3.08
PAYCHEX INC PAYX									
Acquired 04/16/10 L nc		153	30.82	4,716.23		4,758.30	42.07		
Acquired 05/18/11 L		15	31.95	478.26		466.50	-12.75		
Total	1.23	168		\$5,195.48	31.1000	\$5,224.80	\$29.32	\$221.76	4.24
PEPSICO INCORPORATED PEP									
Acquired 07/03/01 L nc		72	45.25	3,258.00		4,926.98	1,668.98		
Acquired 05/18/11 L		3	71.01	213.03		205.29	-7.74		
Total	1.21	75		\$3,471.03	68.4300	\$5,132.26	\$1,661.22	\$161.25	3.14
PHILLIPS 66 PSX									
Acquired 04/16/10 L nc		32,50000	25.75	836.90		1,725.75	888.85		
Acquired 05/26/10 L nc		4,50000	23.10	103.98		238.95	134.97		
Total	0.46	37		\$940.88	53.1000	\$1,964.70	\$1,023.82	\$37.00	1.88
PIEDMONT NATURAL GAS CO PNY									
Acquired 04/16/10 L nc		158	27.54	4,352.74		4,946.88	594.24		
Acquired 05/26/10 L nc		15	25.22	378.30		469.65	91.35		
Total	1.27	173		\$4,731.04	31.3100	\$5,416.63	\$685.59	\$207.60	3.83
POLARIS INDS INC PII									
Acquired 04/16/10 L nc	2.08	104	28.07	2,919.80	84.1500	8,751.60	6,831.80	153.92	1.75
PRAXAIR INC PX									
Acquired 04/16/10 L nc	1.31	51	87.01	4,437.51	109.4500	5,581.95	1,144.44	112.20	2.01

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MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
PROCTER & GAMBLE CO PG									
Acquired 03/07/05 L nc		75	53.89	4,041.75		5,091.75	1,050.00		
Acquired 05/18/11 L		5	67.44	337.20		339.45	2.25		
Total	1.28	80		\$4,378.95	67.8900	\$5,431.20	\$1,052.25	\$179.84	3.31
REALTY INCOME CORP REIT O									
Acquired 04/16/10 L nc	1.41	149	31.06 31.72	4,628.57 4,727.76	40.2100	5,991.29	1,362.72	271.32	4.52
ROYAL DUTCH SHELL PLC ADR B RDS/B									
Acquired 07/18/12 S	1.28	77	72.06	5,549.38	70.8900	5,458.53	-90.85	264.88	4.85
SCANA CORP COM SCG									
Acquired 04/16/10 L nc		122	38.69	4,721.38		5,568.08	846.70		
Acquired 05/18/11 L		6	41.68	250.08		273.84	23.76		
Total	1.37	128		\$4,971.46	45.6400	\$5,841.92	\$870.46	\$253.44	4.34
SIGMA ALDRICH CORP SIAL									
Acquired 04/16/10 L nc	1.35	78	55.71	4,345.38	73.5800	5,739.24	1,393.86	62.40	1.08
SOUTH JERSEY IND INC SJI									
Acquired 04/18/10 L nc	1.16	98	42.28	4,144.32	50.3300	4,932.34	788.02	173.46	3.51
STRYKER CORP SYK									
Acquired 04/27/12 S	1.30	101	54.43	5,497.98	54.8200	5,536.82	38.84	107.06	1.93
SYSICO CORPORATION SYI									
Acquired 04/16/10 L nc		159	29.61	4,709.55		5,033.94	324.39		
Acquired 05/18/11 L		7	32.49	227.43		221.62	-5.81		
Total	1.24	166		\$4,936.98	31.6600	\$5,255.56	\$318.58	\$185.92	3.54



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MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
TARGET CORP									
TGT									
Acquired 07/03/01 L nc		85	35.86	3,048.10		5,029.45	1,981.35		
Acquired 05/18/11 L		21	49.31	1,036.51		1,242.57	207.06		
Total	1.47	106		\$4,083.61	59.1700	\$6,272.02	\$2,188.41	\$152.84	2.43
TEVA PHARMACEUTICAL									
ADR INDS LTD									
TEVA									
Acquired 05/18/11 L	0.95	108	49.60	5,367.51	37.3400	4,032.72	-1,324.79	86.83	2.15
THE SOUTHERN COMPANY									
SO									
Acquired 11/14/11 L	1.10	109	43.57	4,749.76	42.8100	4,666.29	-83.47	213.64	4.57
UNITED PARCEL SERVICE-B									
UPS									
Acquired 04/16/10 L nc		69	68.46	4,723.74		5,087.37	363.63		
Acquired 05/18/11 L		4	73.59	294.36		294.92	0.56		
Total	1.27	73		\$5,018.10	73.7300	\$5,382.29	\$364.19	\$166.44	3.09
UNITED TECHNOLOGIES CORP									
UTX									
Acquired 01/09/02 L nc	1.20	62	33.03	2,048.17	82.0100	5,084.62	3,036.45	132.68	2.60
V F CORPORATION									
VFC									
Acquired 04/16/10 L nc	1.60	45	82.74	3,723.30	150.9700	6,793.65	3,070.35	156.60	2.30
WAL-MART STORES INC									
WMT									
Acquired 04/16/10 L nc		86	54.41	4,679.26		5,867.78	1,188.52		
Acquired 05/18/11 L		10	55.05	550.50		682.30	131.80		
Total	1.54	96		\$5,229.76	68.2300	\$6,550.08	\$1,320.32	\$152.64	2.33
WISCONSIN ENERGY CORP									
WEC									
Acquired 02/10/12 S	1.26	145	34.30	4,973.50	36.8500	5,343.25	368.75	197.20	3.69
3M CO									
MMM									
Acquired 10/16/01 L nc	1.24	57	52.83	3,011.59	92.8500	5,292.45	2,280.86	134.52	2.54

MORSMAN FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2012
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 (%)
Total Stocks and ETFs	96.49			\$329,495.51 \$329,594.70		\$410,540.53	\$81,045.02	\$11,254.75	2.74
Total Stocks, options & ETFs	96.49			\$329,495.51		\$410,540.53	\$81,045.02	\$11,254.75	2.74

no 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.

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	ACCRUED INTEREST	ESTIMATED	
									ANNUAL INCOME	ANNUAL YIELD (%)
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 3133XES91										
Acquired 03/23/06 L nc	2.37	10,000	0.99	9,922.20	100.8790	10,087.90	165.70	156.94	500.00	4.95
Total Government Bonds	2.37	10,000		\$9,922.20		\$10,087.90	\$165.70	\$156.94	\$500.00	4.96
Total Fixed Income Securities	2.37			\$9,922.20		\$10,087.90	\$165.70	\$156.94	\$500.00	4.96

no 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.



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