

AMENDED I.D. # S/B 41-1814419

Form 990-PF

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

OMB No 1545-0052

2008

Department of the Treasury
Internal Revenue Service

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

For calendar year 2008, or tax year beginning Jan. 1, 2008, and ending Dec. 31, 2008G Check all that apply: Initial return Final return Amended return Address change Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

The msl Foundation, Inc.

A Employer identification number

ETIN: 4118114419

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

23001 Industrial Blvd.

B Telephone number (see page 10 of the instructions)

1763428-4220

Room/suite

City or town, state, and ZIP code

Rogers, MN. 55374-9566

C If exemption application is pending, check here □

D 1. Foreign organizations, check here □

2. Foreign organizations meeting the 85% test, check here and attach computation □

E If private foundation status was terminated under section 507(b)(1)(A), check here □

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here □

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 359,302 J Accounting method: Cash Accrual
 Other (specify) _____ (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the 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)	<u>316,906</u>			
	2 Check □ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	<u>3,125</u>			
	4 Dividends and interest from securities	<u>4,366</u>			
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	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	<u>324,397</u>			
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)				
	c Other professional fees (attach schedule)				
	17 Interest	<u>550</u>			
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	<u>550</u>			
	25 Contributions, gifts, grants paid	<u>63,360</u>			
	26 Total expenses and disbursements. Add lines 24 and 25	<u>63,910</u>	<u>7,491</u>		
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<u>260,487</u>			
	b Net investment income (if negative, enter -0-)		<u>0</u>		
	c Adjusted net income (if negative, enter -0-)			<u>260,487</u>	

GM

1b

	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
Assets	1 Cash—non-interest-bearing	69,145	48,517	
	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 page 15 of the 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)	68,344	60,785	
	c Investments—corporate bonds (attach schedule)			
Liabilities	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 ► 250,000			
	Less: accumulated depreciation (attach schedule) ►	- 0 -	250,000	
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	137,487	359,302	
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	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)	- 0 -		
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)			
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	137,489	359,302	

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)	1 137,489
2 Enter amount from Part I, line 27a	2 260,487
3 Other increases not included in line 2 (itemize) ►	3 0
4 Add lines 1, 2, and 3	4 397,976
5 Decreases not included in line 2 (itemize) ►	5 138,674
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6 359,302

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	200 Shares Graco, Inc.	P	7-06-08	7-1-08
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 7275		7195.00	80.00	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
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	
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	80.00

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 page 18 of 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))
2007	42,354	63,000	.6723
2006	77,084	71,446	1.0789
2005	65,556	28,027	2.3390
2004	29,289	23,627	1.3396
2003	59,900	43,375	1.2382

2 Total of line 1, column (d)	2 6,6680
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 1.3336
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4 163,863
5 Multiply line 4 by line 3	5 218,528
6 Enter 1% of net investment income (1% of Part I, line 27b)	6 150
7 Add lines 5 and 6	7 218,678
8 Enter qualifying distributions from Part XII, line 4	8 63,910

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)

1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

1c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

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

3 Add lines 1 and 2

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

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

6 Credits/Payments:

a 2008 estimated tax payments and 2007 overpayment credited to 2008 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

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

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

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

11 Enter the amount of line 10 to be: **Credited to 2009 estimated tax** ► **Refunded** ►

1	149	82
2	0	
3	149	82
4	0	
5	149	82
7	0	
8	0	
9	149	82
10	0	
11	0	

Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? 1a Yes No

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 1b

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.

1c Did the foundation file Form 1120-POL for this year? 1c

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? 2

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

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes 3

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? 4a

b If "Yes," has it filed a tax return on Form 990-T for this year? 4b

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

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

- By language in the governing instrument, or
- By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? 6

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV. 7

8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► 8a

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation 8b

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 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV 9

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses 10

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 page 20 of the instructions)	11	<input checked="" type="checkbox"/>	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	<input type="checkbox"/>	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	<input checked="" type="checkbox"/>	X
14	The books are in care of ► Maurice C. Kapsner Telephone no. ► 763-428-4220 Located at ► 23001 Industrial Blvd. Rogers, MN ZIP+4 ► 55374			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			► <input type="checkbox"/>

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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		1b NA
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 2008?		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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 page 20 of the instructions).		2b X
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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2008 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 2008.)		3b X
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 2008?		4b X

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

5a	During the year did the foundation pay or incur any amount to:		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 page 22 of the instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>	
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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If you answered "Yes" to 6b, also file Form 8870.</i>		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
Maurice C. Kapsner Mound, MN. 55364	Pres. (1)	0	0	0
Spencer Bower Shoreview, MN.	Treas. (.5)	0	0	0
Joe Thompson Plymouth, MN. 55447	Sec. (.2)	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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
<i>None</i>				
			</	

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 page 23 of the 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		
2	None	
3		1
4		0

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1	<i>No note</i>	
2		
All other program-related investments. See page 24 of the instructions		
3		
Total. Add lines 1 through 3.		

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	77,088
b	Average of monthly cash balances	1b	14,195
c	Fair market value of all other assets (see page 24 of the instructions)	1c	75,075
d	Total (add lines 1a, b, and c)	1d	166,358
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	166,358
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	2,495
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	163,863
6	Minimum investment return. Enter 5% of line 5	6	8,193

Part XI Distributable Amount (see page 25 of the 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	8,193
2a	Tax on investment income for 2008 from Part VI, line 5	2a	150
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	150
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	8,043
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	8,043
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	8,043

Part XII Qualifying Distributions (see page 25 of the 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	63,910
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
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	63,910
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 page 26 of the instructions)	5	150
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	63,760

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				8,043
2 Undistributed income, if any, as of the end of 2007.			0	
a Enter amount for 2007 only			0	
b Total for prior years: 2000, 2001, 2002		0		
3 Excess distributions carryover, if any, to 2008:				
a From 2003	57,537			
b From 2004	29,305			
c From 2005	64,185			
d From 2006	76,149			
e From 2007	38,782			
f Total of lines 3a through e	265,958			
4 Qualifying distributions for 2008 from Part XII, line 4: ► \$			0	
a Applied to 2007, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2008 distributable amount				
e Remaining amount distributed out of corpus	55,717			
5 Excess distributions carryover applied to 2008. (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:	321,675			
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 page 27 of the instructions			0	
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009			0	
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	321,675			
10 Analysis of line 9:				
a Excess from 2004	29,305			
b Excess from 2005	64,185			
c Excess from 2006	76,149			
d Excess from 2007	38,782			
e Excess from 2008	55,717			

Part XIV Private Operating Foundations (see page 27 of the 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 2008, enter the date of the ruling ►				
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
b	85% of line 2a				
c	Qualifying distributions from Part XII, line 4 for each year listed				
d	Amounts included in line 2c not used directly for active conduct of exempt activities				
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3	Complete 3a, b, or c for the alternative test relied upon:				
a	"Assets" alternative test—enter:				
(1)	Value of all assets				
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	"Endowment" alternative test—enter ½ 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)(ii)				
(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 page 27 of the 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).)

Maurice C. Kapsner

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 page 28 of the 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: 763-478-4720

Maurice C Kapsner 23001 Ind. Blvd. Rogers, MN 55374

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

Open

c Any submission deadlines:

None

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

Prefer Christian organizations

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
a Paid during the year				
St. John's Abbey		501C3	Retreat Min.	1,060
The International Foundation Community Bible Study			Evangelism	10,000
Anglican Church, Rwanda			Discipleship Min.	8,000
Catholic Church, Bwuri Bur.			Bible Translation	4,650
Pentecostal Church Burundi			Bible purchases	71,000
			Evangelism & discipleship	28,650
Total				

Total ► 3a

b Approved for future payment

John

Total ► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income	Excluded by section 512, 513, or 514	(e) Related or exempt function income (See page 28 of the instructions.)	
		(a) Business code	(b) Amount		(c) Exclusion code
1	Program service revenue:				
a					
b					
c					
d					
e					
f					
g	Fees and contracts from government agencies				
2	Membership dues and assessments			14	3,125
3	Interest on savings and temporary cash investments			14	4,366
4	Dividends and interest from securities				
5	Net rental income or (loss) from real estate:				
a	Debt-financed property				
b	Not debt-financed property				
6	Net rental income or (loss) from personal property				
7	Other investment income				
8	Gain or (loss) from sales of assets other than inventory				
9	Net income or (loss) from special events				
10	Gross profit or (loss) from sales of inventory				
11	Other revenue: a				
b					
c					
d					
e					
12	Subtotal. Add columns (b), (d), and (e)				7,491
13	Total. Add line 12, columns (b), (d), and (e)				7,491
(See worksheet in line 13 instructions on page 28 to verify calculations.)					

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

Part XVIII 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	X	
(2) Other assets	X	
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization		
(2) Purchases of assets from a noncharitable exempt organization	X	
(3) Rental of facilities, equipment, or other assets	X	
(4) Reimbursement arrangements	X	
(5) Loans or loan guarantees	X	
(6) Performance of services or membership or fundraising solicitations		
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
	DFA	

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 or fiduciary) is based on all information of which preparer has any knowledge

Sign Here


Signature of officer or trustee

15-13-09 ► President

Sign Here Paid Preparer's Use Only	Preparer's signature 	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see Signature on page 30 of the Instructions)
	Firm's name (or yours if self-employed), address, and ZIP code 	EIN ►		Phone no ()

**THE M & L FOUNDATION, INC. EIN 4118114419 Schedule for form 990-PF
2008 Return**

Part I, Line 1: Contributions, gifts, grants etc. (Schedule B)

John Bower	\$45,000	David Forphal	\$100
Tony Laurent	\$100	John Hannus	\$100
Lannie Cragg	\$450	Neil Bailey	\$200
Dave Henderson	\$75	Robin Redman	\$100
Jan Jacobson	\$50	Mary Yokiell	\$10
Mark Flatin	\$600	James Taylor	\$100
Helen Jackson	\$30	Tony Vertin	\$800
Peter Kapsner	\$625	Karen Kulusity	\$50
Dave Stahlman	\$500	Louise Olson	\$20
Janet Johnson	\$20	Bruce Clark	\$200
Dee Weiland	\$50	Sheryl Wold	\$50
Dick Brown	\$200	Diane Schubring	\$50
Paul Annett	\$1,150	Gary Buckmiller	\$300
Jeanne Larson	\$50	Sue Raddatz	\$50
Roxanne Youngwquist	\$50	Sharson Williamson	\$50
Margaret King	\$200	Don DeMorett	\$60
Max Frazier	\$25	Tom Bower	\$1,000
Greg Wacek	\$50	Jean England	\$100
Bob Westenberg	\$600	Pat Wolfe	\$100
Barb Merwin	\$100	Lowell Lankford	\$200
Al Johnson	\$25	Joanne Skinner	\$50
Tony Vejar	\$100	Steve Ricker	\$50
Karen Nelson	\$50	Richard Weigel	\$100
Gene Marohn	\$40	Coral Balsan	\$50
Jeff Evanson	\$100	Curt Bocchi	\$150
Kathy Olson	\$100	Glenn Fredeen	\$200
Bob Mann	\$1,000	Virginia Hagg	\$100
Mark Geier	\$1,100	Bruce Volkart	\$50
Willa Rhoads	\$100	Stephen Helland	\$275
Jim Bangert	\$50	Sherie Thimjon	\$100
Charlie Blomme	\$375	Ken Ritterspach	\$100
Susan Vawter	\$200	Les Jones	\$75
George Sutton	\$100	Joye Buckmiller	\$25
Peter Carlson	\$175	Mark Neidermark	\$100
Lauranne Patterson	\$50	Patrick Hofkes	\$275
Bill Inhofer	\$20	Anne Mattson	\$100
Dan Burkett	\$575	Dave Roy	\$25
Pam Schoffman	\$100	Joe Floeder	\$148
John O'Toole	\$100	Doris Geary	\$100
Tom Garlinghouse	\$200	Mike Diedericks	\$100
Bill Richardson	\$100	Marcia Kalisher	\$50

Kelly Wicker	\$25	Wayzata Free	\$300
Faith & Learning	\$6,083	Cash	\$50

Maurice C. Kapsner \$250,000

Total: \$316,906

Part I, Line 23 Bank Wiring Fees \$550.00

Part II, Line 10b Investments

		<u>Book</u>	<u>Fair Market</u>	<u>Total</u>
NFJ Stock Fund	500	\$12.95	\$12.95	\$6,475
Donnelley Prefr.	400	\$12.00	\$12.00	\$4,800
Goldman Sachs	300	\$14.00	\$14.00	\$4,200
Allied Cap.	200	\$8.65	\$8.65	\$1,720
USB Cap. X	200	\$21.39	\$21.39	\$4,278
US Bank	200	\$23.00	\$23.00	\$4,600
USB Cap XII	300	\$22.50	\$22.50	\$6,750
Wells Fargo	200	\$21.00	\$21.00	\$4,200
ABN AMRO Cap.	100	\$9.98	\$9.98	\$998
Citigroup	200	\$15.83	\$15.83	\$3,166
Deutsche Bank	200	\$15.19	\$15.19	\$3,038
Evergreen Util.	600	\$11.53	\$11.53	\$6,918
Pimco Corp.	600	\$11.50	\$11.50	\$6,900
Templeton	300	\$9.14	\$9.14	\$2,742

Part VII A, Line 10

John Bower	* New	Paul Annett	*Repeat
4404 Jansa Drive		2125 Meeting Street	
Shoreview, MN. 55126		Wayzata, MN. 55391	

Faith & Learning	*Repeat
209 East Liberty	
Wheaton, IL. 60189	

Maurice C. Kapsner	*Repeat
65 Fairway Ridge Drive	
Mound, MN. 55374	