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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 THE CARTER FAMILY FOUNDATION		A Employer identification number 20-3311749
Number and street (or P O box number if mail is not delivered to street address) 130 SPUR CIRCLE	Room/suite	B Telephone number 763-390-4277
City or town, state, and ZIP code WAYZATA, MN 55391-9577		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name 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) \$ 1,167,034.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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		651,946.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		2,479.	2,479.		STATEMENT 1
4 Dividends and interest from securities		9,098.	9,098.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		6,785.			
b Gross sales price for all assets on line 6a	74,137.				
7 Capital gain net income (from Part IV, line 2)			6,785.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
11 Gross profit or (loss)					
12 Other income					
Total. Add lines 1 through 11		670,308.	18,362.		
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	3,351.	1,676.		1,675.
c Other professional fees	STMT 4	4,007.	4,007.		0.
17 Interest					
18 Taxes	STMT 5	162.	16.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 6	25.	0.		25.
24 Total operating and administrative expenses. Add lines 13 through 23		7,545.	5,699.		1,700.
25 Contributions, gifts, grants paid		123,814.			123,814.
26 Total expenses and disbursements. Add lines 24 and 25		131,359.	5,699.		125,514.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		538,949.			
b Net investment income (if negative, enter -0-)			12,663.		
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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing			124,271.	649,777.	649,777.
	2 Savings and temporary cash investments			114,828.	115,733.	115,733.
	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					
	c Investments - corporate bonds					
11 Investments - land, buildings, and equipment basis ▶						
Less: accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other	STMT 7			375,425.	387,963.	401,524.
14 Land, buildings, and equipment: basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers)				614,524.	1,153,473.	1,167,034.
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			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
29 Retained earnings, accumulated income, endowment, or other funds			614,524.	1,153,473.		
30 Total net assets or fund balances			614,524.	1,153,473.		
31 Total liabilities and net assets/fund balances			614,524.	1,153,473.		

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	614,524.
2 Enter amount from Part I, line 27a	2	538,949.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,153,473.
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	1,153,473.

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 NORTHWESTERN MUTUAL- SEE ATTACHED	P	VARIOUS	12/31/12
b NORTHWESTERN MUTUAL- SEE ATTACHED	P	VARIOUS	12/31/12
c CAPITAL GAINS DIVIDENDS			
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 13,396.		12,466.	930.
b 57,134.		54,886.	2,248.
c 3,607.			3,607.
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			930.
b			2,248.
c			3,607.
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	6,785.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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	50,787.	553,862.	.091696
2010	19,338.	282,951.	.068344
2009	13,983.	38,430.	.363856
2008	445.	7,052.	.063103
2007	445.	7,857.	.056637

2 Total of line 1, column (d)	2	.643636
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	.128727
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	818,342.
5 Multiply line 4 by line 3	5	105,343.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	127.
7 Add lines 5 and 6	7	105,470.
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	125,514.

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	127.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" 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 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	127.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	127.
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 SEE STATEMENT 8	9		127.
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 Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b 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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
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) MN		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) 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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>DIANA CLARKE-CARTER</u> Telephone no. ► <u>763-390-4277</u> Located at ► <u>130 SPUR CIRCLE, WAYZATA, MN</u> ZIP+4 ► <u>55391-9577</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	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 <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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))?

☐ 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
DIANA CLARKE-CARTER 130 SPUR CIRCLE WAYZATA, MN 55391	DIRECTOR/CHIEF EXECUTIVE	0	0	0
ROBERT LOWELL CARTER 130 SPUR CIRCLE WAYZATA, MN 55391	DIRECTOR/OFFICER	0.25	0	0
ALISON CLARKE CARTER BROWN 130 SPUR CIRCLE WAYZATA, MN 55391	DIRECTOR/EXECUTIVE DIRECTO	0.25	0	0
JASON ROBERT CARTER 130 SPUR CIRCLE WAYZATA, MN 55391	DIRECTOR/OFFICER	0.25	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 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	385,721.
b	Average of monthly cash balances	1b	445,083.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	830,804.
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	830,804.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	12,462.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	818,342.
6	Minimum investment return. Enter 5% of line 5	6	40,917.

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	40,917.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	127.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	127.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	40,790.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	40,790.
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	40,790.

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	125,514.
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	125,514.
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	127.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	125,387.

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				40,790.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
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	42,969.			
f Total of lines 3a through e	42,969.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 125,514.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions) **	125,514.			
d Applied to 2012 distributable amount				0.
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))	40,790.			40,790.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	127,693.			
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				0.
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	127,693.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011	2,179.			
e Excess from 2012	125,514.			

** SEE STATEMENT 11

Form 990-PF (2012)

N/A

- ▶

☐ 4942(1)(3) or ☐ 4942(1)(5)

- [illegible]

Form **990-PF** (2012)

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

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
a Paid during the year				
BE THE MATCH FOUNDATION 3001 BROADWAY STREET N.E., SUITE 601 MINNEAPOLIS, MN 55413-1753	N/A	PUBLIC CHARITY	GENERAL	10,000.
COMMONBOND COMMUNITIES 328 KELLOGG BLVD WEST ST. PAUL, MN 55102	N/A	PUBLIC CHARITY	GENERAL	1,000.
FIRST STEP INITIATIVE PO BOX 270532 GOLDEN VALLEY, MN 55427	N/A	PUBLIC CHARITY	GENERAL	41,250.
HUBBARD UNITED METHODIST CHURCH 12150 BROADWAY ROAD PARK RAPIDS, MN 56470	N/A	PUBLIC CHARITY	GENERAL	2,650.
MINNETONKA CENTER FOR THE ARTS 2240 NORTH SHORE DRIVE WAYZATA, MN 55391-9347	N/A	PUBLIC CHARITY	GENERAL	1,000.
Total	SEE CONTINUATION SHEET(S)			123,814.
b Approved for future payment				
NONE				
Total			3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	2,479.		
4 Dividends and interest from securities			18	9,098.		
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			18	6,785.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		18,362.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	18,362.

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

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

[illegible]

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 | | X |
| | (2) Other assets | | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (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 | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 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		

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.

Sign Here


8/13/13
DIRECTOR/CEO

Signature of officer or trustee
Date
Title

May the IRS discuss this return with the preparer shown below (see instr. 7)?

☒ Yes
 ☐ No

Paid Preparer Use Only	Print/Type preparer's name ELLYN W. MARELL, CPA	Preparer's signature ELLYN W. MARELL,	Date 07/31/13	Check <input type="checkbox"/> if self-employed	PTIN P00649275
	Firm's name ▶ WIPFLI LLP			Firm's EIN ▶ 39-0758449	
	Firm's address ▶ 7601 FRANCE AVENUE SOUTH, SUITE 400 MINNEAPOLIS, MN 55435			Phone no. 952-548-3400	

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization

THE CARTER FAMILY FOUNDATION

Employer identification number

20-3311749

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

THE CARTER FAMILY FOUNDATION

20-3311749

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SUMMIT MORTGAGE CORPORATION 1335 10TH AVE. N, STE 100 PLYMOUTH, MN 55441	\$ 651,800.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
THE CARTER FAMILY FOUNDATION	20-3311749

Part II Noncash Property (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization THE CARTER FAMILY FOUNDATION	Employer identification number 20-3311749
---	---

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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
NATIONAL MS SOCIETY 200 12TH AVE S MINNEAPOLIS, MN 55415-1255	N/A	PUBLIC CHARITY	GENERAL	1,000.
NEW LIFE IN CHRIST MINISTRIES PO BOX 456 CLEARWATER, MN 55320	N/A	PUBLIC CHARITY	GENERAL	5,000.
OPEN ARMS KITCHEN 2500 BLOOMINGTON AVE MINNEAPOLIS, MN 55404	N/A	PUBLIC CHARITY	GENERAL	1,000.
PORTICO 2610 UNIVERSITY AVENUE W., SUITE 100 ST. PAUL, MN 55114	N/A	PUBLIC CHARITY	GENERAL	1,500.
RESTART, INC. 4000 OLSON MEMORIAL HIGHWAY, STE 610 GOLDEN VALLEY, MN 55422	N/A	PUBLIC CHARITY	GENERAL	1,000.
UNIVERSITY OF MINNESOTA FOUNDATION 200 OAK STREET S.E., SUITE 500 MINNEAPOLIS, MN 55455-2010	N/A	PUBLIC CHARITY	GENERAL	35,214.
VAIL PLACE 15-9TH AVENUE SOUTH HOPKINS, MN 55343	N/A	PUBLIC CHARITY	GENERAL	1,000.
WELLSPRING FOR THE WORLD, INC. PO BOX 9993 FARGO, ND 58106	N/A	PUBLIC CHARITY	GENERAL	1,000.
WESTMINSTER CHURCH 1200 MARQUETTE AVENUE SOUTH MINNEAPOLIS, MN 55403	N/A	PUBLIC CHARITY	GENERAL	21,200.
Total from continuation sheets				67,914.

Statement Period: 11/01/2012 - 12/31/2012

Portfolio Holdings

Quantity	Opening Date	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
Cash, Money Funds, and Bank Deposits 1.00% of Portfolio									
Money Market									
GENERAL MNY MKT FUND CL B	11/01/12	0000637754	12/31/12	6,084.86	6,084.96	0.00	0.55	0.01%	0.01%
6,084.960									
Total Money Market				\$6,084.86	\$6,084.96	\$0.00	\$0.55		
Total Cash, Money Funds, and Bank Deposits				\$6,084.86	\$6,084.96	\$0.00	\$0.55		

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds 99.00% of Portfolio								
Mutual Funds								
ALLIANZ NFI DIVIDEND VALUE FUND								
CLASS A			Security Identifier: PNEAX					
CUSIP 018918243								
Open End Fund								
Dividend Option: Reinvest Capital Gains Option Reinvest								
1,219.180	Average*	10.3780	12,652.10	12.6400	15,410.43	2,758.33	379.96	2.46%
1,219.180	Total Noncovered		12,652.10		15,410.43	2,758.33	379.96	
32.824	Average	12.3210	404.43	12.6400	-414.90	10.47	10.23	2.46%
32.824	Total Covered		404.43		414.90	10.47	10.23	
1,252.004	Total		\$13,056.53		\$15,825.33	\$2,768.80	\$390.19	

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
AMERICAN CENTURY DIVERSIFIED BOND								
INVESTOR CLASS								
CUSIP: 024932402								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option Reinvest								
1,609,066	Average	10.7110	17,234.78	11.1500	17,941.09	706.31	560.25	3.12%
1,609,066	Total Noncovered		17,234.78		17,941.09	706.31	560.25	
211,716	Average	11.2540	2,382.67	11.1500	2,360.63	-22.04	73.72	
211,716	Total Covered		2,382.67		2,360.63	-22.04	73.72	
1,820,782	Total		\$19,617.45		\$20,301.72	\$684.27	\$633.97	
COLUMBIA ACORN INTERNATIONAL FUND								
CLASS A								
CUSIP: 197199847								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option Reinvest								
361,941	Average	40.4790	14,650.94	40.7900	14,763.57	112.63	211.08	1.42%
361,941	Total Noncovered		14,650.94		14,763.57	112.63	211.08	
5,339	Average	39.6180	211.52	40.7900	217.78	6.26	3.11	1.42%
5,339	Total Covered		211.52		217.78	6.26	3.11	
367,280	Total		\$14,862.46		\$14,981.35	\$118.89	\$214.19	
CREDIT SUISSE COMMODITY RETURN								
STRATEGY FUND CL A								
CUSIP: 22544R107								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option Reinvest								
1,690,443	Average	9.4420	15,961.80	7.9400	13,422.12	-2,539.68		
1,690,443	Total Noncovered		15,961.80		13,422.12	-2,539.68		
232,847	Average	8.3500	1,944.27	7.9400	1,848.80	-95.47		
232,847	Total Covered		1,944.27		1,848.80	-95.47		
1,923,290	Total		\$17,906.07		\$15,270.92	-\$2,635.15	\$0.00	
DODGE & COX INCOME FUND								
CUSIP: 256210105								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option Reinvest								
1,853,254	Average	13.2610	24,575.93	13.8600	25,686.10	1,110.17	896.97	3.49%
1,853,254	Total Noncovered		24,575.93		25,686.10	1,110.17	896.97	
214,964	Average	13.8560	2,978.49	13.8600	2,979.40	0.91	104.04	3.49%

Statement Period: 11/01/2012 - 12/31/2012

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
DODGE & COX INCOME FUND (continued)								
214.964			2,978.49		2,979.40	0.91	104.04	
2,068.218			\$27,554.42		\$28,665.50	\$1,111.08	\$1,001.01	
Total								
EAGLE SMALL CAP GROWTH FUND CLASS A								
CUSIP: 269858106								
Open End Fund								
Dividend Option: Reinvest, Capital Gains Option: Reinvest								
147.707		38.5900	5,700.00	42.8100	6,323.34	623.34		
Average*								
EUROPACIFIC GROWTH FUND CLASS F-1								
CUSIP: 298706409								
Open End Fund								
Dividend Option: Reinvest, Capital Gains Option: Reinvest								
454.249		41.9930	19,075.31	40.9900	18,619.66	-455.65	318.56	1.71%
454.249			19,075.31		18,619.66	-455.65	318.56	
7.825		40.7110	318.56	40.9900	320.75	2.19	5.49	1.71%
7.825			318.56		320.75	2.19	5.49	
462.074			\$19,393.87		\$18,940.41	-\$453.46	\$324.05	
Total								
FIDELITY ADVISOR MID CAP II FUND								
CLASS I								
CUSIP: 315807487								
Open End Fund								
Dividend Option: Reinvest, Capital Gains Option: Reinvest								
661.548		18.3710	12,153.30	17.7000	11,709.40	-443.90		
661.548			12,153.30		11,709.40	-443.90		
34.925		17.4040	607.82	17.7000	618.17	10.35		
34.925			607.82		618.17	10.35		
696.473			\$12,761.12		\$12,327.57	-\$433.55	\$0.00	
Total								

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
FIDELITY ADVISOR NEW INSIGHTS FUND CLASS								
Security Identifier: FINSX								
CUSIP: 316071604								
Open End Fund								
Dividend Option: Reinvest: Capital Gains Option: Reinvest								
1,528,267	Average*	19.8970	30,408.26	23.0200	35,180.71	4,772.45	32.09	0.09%
1,528,267	Total Noncovered		30,408.26		35,180.71	4,772.45	32.09	
10,341	Average	22.7590	235.35	23.0200	238.95	3.60	0.22	0.09%
10,341	Total Covered		235.35		238.95	3.60	0.22	
1,538,608	Total		\$30,643.61		\$35,418.76	\$4,775.15	\$32.31	
HARBOR BOND FUND INSTITUTIONAL CLASS								
Security Identifier: HABDX								
CUSIP: 411511108								
Open End Fund								
Dividend Option: Reinvest: Capital Gains Option: Reinvest								
1,157,627	Average*	12.1210	14,031.23	12.4800	14,447.19	415.96	380.47	2.63%
1,157,627	Total Noncovered		14,031.23		14,447.19	415.96	380.47	
805,529	Average	12.9590	10,438.94	12.4800	10,053.00	-385.94	264.74	-2.63%
805,529	Total Covered		10,438.94		10,053.00	-385.94	264.74	
1,963,156	Total		\$24,470.17		\$24,500.19	\$30.02	\$645.21	
HARBOR REAL RETURN FUND INSTITUTIONAL CLASS								
Security Identifier: HARRX								
CUSIP: 411511520								
Open End Fund								
Dividend Option: Reinvest: Capital Gains Option: Reinvest								
1,320,009	Average*	10.3780	13,699.29	11.1800	14,757.70	1,058.41	295.11	1.99%
1,320,009	Total Noncovered		13,699.29		14,757.70	1,058.41	295.11	
144,260	Average	11.3380	1,635.59	11.1800	1,612.83	-22.76	32.25	1.99%
144,260	Total Covered		1,635.59		1,612.83	-22.76	32.25	
1,464,269	Total		\$15,334.88		\$16,370.53	\$1,035.65	\$327.36	
THE OAKMARK INTERNATIONAL FUND								
Security Identifier: OAKIX								
CUSIP: 413838202								
Open End Fund								
Dividend Option: Reinvest: Capital Gains Option: Reinvest								
618,653	Average*	20.3760	12,605.89	20.9300	12,948.40	342.51	271.90	2.09%
618,653	Total Noncovered		12,605.89		12,948.40	342.51	271.90	
13,480	Average	20.1710	271.90	20.9300	282.14	10.24	5.92	2.09%



Northwestern Mutual
Wealth Management Company

Account Statement

Statement Period: 11/01/2012 - 12/31/2012

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
THE OAKMARK INTERNATIONAL FUND (continued)								
13.480			271.90		282.14	10.24	5.92	
632.133			\$12,977.79		\$13,230.54	\$252.75	\$277.82	
Total								
HARTFORD HIGH-YIELD FUND CLASS A								
CUSIP: 416645489								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
1,080.426		7.5600	8,167.86	7.6200	8,232.85	64.99	465.79	5.65%
PERKINS MID CAP VALUE FUND								
CLASS T								
CUSIP: 471023598								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
542.055		22.8650	12,394.06	21.3400	11,567.46	-826.60	85.99	0.74%
542.055			12,394.06		11,567.46	-826.60	85.99	
23.718			510.42	21.3400	506.14	-4.28	3.76	0.74%
23.718			510.42		506.14	-4.28	3.76	
565.773			\$12,904.48		\$12,073.60	-\$830.88	\$89.75	
Total								
MFS INTERNATIONAL GROWTH FUND CLASS I								
CUSIP: 552735848								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
312.825		22.5960	7,068.58	27.5600	8,621.46	1,552.88	89.66	1.03%
312.825			7,068.58		8,621.46	1,552.88	89.66	
4.328		27.1880	117.67	27.5600	119.28	1.61	1.24	1.03%
4.328			117.67		119.28	1.61	1.24	
317.153			\$7,186.25		\$8,740.74	\$1,554.49	\$90.90	
Total								



Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
MFS VALUE FUND CLASS I								
CUSIP: 552983694								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
1,077,991		23.5060	325,339.53	25.4600	27,445.65	2,106.12	537.03	1.95%
1,077,991			325,339.53		27,445.65	2,106.12	537.03	
30,909		24.9010	769.65	25.4600	786.94	17.29	15.40	1.95%
309,090			769.65		786.94	17.29	15.40	
1,108,900			\$26,109.18		\$28,232.59	\$2,123.41	\$552.43	
NORTHERN SMALL CAP VALUE FUND -								
CUSIP: 665162400								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
371,550		16.9480	6,297.06	16.4100	6,097.14	199.92	87.04	1.42%
371,550			6,297.06		6,097.14	199.92	87.04	
PIMCO INCOME FUND CLASS A								
CUSIP: 72201F474								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
1,694,148		12.2130	20,690.74	12.3600	20,939.67	248.93	1,048.39	5.00%
1,694,148			20,690.74		20,939.67	248.93	1,048.39	
T ROWE PRICE EMERGING MARKETS								
STOCK								
CUSIP: 77956H864								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
626,668		33.5580	21,029.89	34.0600	21,344.32	314.43	100.26	0.46%
626,668			21,029.89		21,344.32	314.43	100.26	
2,976		33.6930	100.27	34.0600	101.36	1.09	0.48	0.46%
2,976			100.27		101.36	1.09	0.48	
629,644			\$21,130.16		\$21,445.68	\$315.52	\$100.74	
T ROWE PRICE REAL ESTATE								
CUSIP: 779919109								
Open End Fund								
Dividend Option: Reinvest; Capital Gains Option: Reinvest								
751,354		18.0680	13,575.82	21.0100	15,785.95	2,210.13	345.62	2.18%
751,354			13,575.82		15,785.95	2,210.13	345.62	
18,183		20.4420	371.70	21.0100	382.02	10.32	8.36	2.18%

Account Statement

Statement Period: 11/01/2012 - 12/31/2012

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
T ROWE PRICE REAL ESTATE (continued)								
18,183			371.70		382.02	10.32	8.36	
			\$13,947.52		\$16,167.97	\$2,220.45	\$353.98	
Total								
TEMPLETON GLOBAL BOND FUND CLASS A								
CUSIP 880208103								
Open-End Fund								
Dividend Option Reinvest, Capital Gains Option - Reinvest								
1,278,233		13.4880	17,240.82	13.3800	17,102.76	-138.06	715.81	4.18%
Average*								
Total Noncovered			17,240.82		17,102.76	-138.06	715.81	
135,269		13.1860	1,783.64	13.3800	1,809.90	26.26	75.75	4.18%
Average								
Total Covered			1,783.64		1,809.90	26.26	75.75	
Total			\$19,024.46		\$18,912.66	-\$111.80	\$791.56	
VANGUARD GNMA FUND								
CUSIP 922031307								
Open-End Fund								
Dividend Option Reinvest, Capital Gains Option - Reinvest								
955,711		10.6930	10,219.85	10.9100	10,426.81	206.96	287.42	2.75%
Average*								
Total Noncovered			10,219.85		10,426.81	206.96	287.42	
152,048		11.0960	1,687.10	10.9100	1,658.84	-28.26	45.73	2.75%
Average								
Total Covered			1,687.10		1,658.84	-28.26	45.73	
Total			\$11,906.95		\$12,085.65	\$178.70	\$333.15	

Portfolio Holdings (continued)

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)								
Mutual Funds (continued)								
VANGUARD SHORT-TERM INVESTMENT GRADE FUND INVESTOR SHARES								
CUSIP: 922031406								
Open End Fund								
Dividend Option: Reinvest, Capital Gains Option, Reinvest								
989.108		10.7690	10,651.52	10.8300	10,712.04	60.52	241.37	2.25%
989.108			10,651.52		10,712.04	60.52	241.37	
1,452.165		10.8590	15,768.90	10.8400	15,726.95	-41.95	354.37	2.25%
1,452.165			15,768.90		15,726.95	-41.95	354.37	
2,441.273			\$26,420.42		\$26,438.99	\$18.57	\$595.74	
Total Mutual Funds			\$387,963.45		\$401,523.70	\$13,560.25	\$8,355.58	
Total Mutual Funds			\$387,963.45		\$401,523.70	\$13,560.25	\$8,355.58	

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
AMERICAN INVESTOR BANK AND MORTGAGE	2,479.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	2,479.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
NORTHWESTERN MUTUAL	9,098.	0.	9,098.
NORTHWESTERN MUTUAL	3,607.	3,607.	0.
TOTAL TO FM 990-PF, PART I, LN 4	12,705.	3,607.	9,098.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX RETURN PREPARATION	3,351.	1,676.		1,675.
TO FORM 990-PF, PG 1, LN 16B	3,351.	1,676.		1,675.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	4,007.	4,007.		0.
TO FORM 990-PF, PG 1, LN 16C	4,007.	4,007.		0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES PAID	16.	16.			0.
2011 EXCISE TAXES PAID IN 2012	146.	0.			0.
TO FORM 990-PF, PG 1, LN 18	162.	16.			0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MN ANNUAL REGISTRATION	25.	0.			25.
TO FORM 990-PF, PG 1, LN 23	25.	0.			25.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
NORTHWESTERN MUTUAL -SEE ATTACHED SCHEDULE	COST	387,963.	401,524.	
TOTAL TO FORM 990-PF, PART II, LINE 13		387,963.	401,524.	

FORM 990-PF	INTEREST AND PENALTIES			STATEMENT	8
TAX DUE FROM FORM 990-PF, PART VI					127.
LATE PAYMENT INTEREST					1.
LATE PAYMENT PENALTY					2.
TOTAL AMOUNT DUE					130.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION
53.4942(A)-3(D)(2) TO TREAT
EXCESS QUALIFYING DISTRIBUTIONS
AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 11

THE CARTER FAMILY FOUNDATION HEREBY ELECTS UNDER IRC REGULATIONS
SECTION 53.4942(A)-3(D)(2) TO TREAT THE QUALIFYING DISTRIBUTION OF
\$125,514, MADE DURING 2012, AS DISTRIBUTIONS OUT OF CORPUS.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 12

NAME OF MANAGER

DIANA CLARKE-CARTER
ROBERT LOWELL CARTER

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 13

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

EXECUTIVE DIRECTOR, CARTER FAMILY FOUNDATION
130 SPUR CIRCLE
WAYZATA, MN 55391

TELEPHONE NUMBER

763-390-4277

FORM AND CONTENT OF APPLICATIONS

APPLICANTS SHOULD REVIEW MISSION STATEMENT AND SUBMIT LETTER OF INTEREST INDICATING THE FOCUS OF THE PROGRAM, HOW THE FOCUS IS CONSISTENT WITH THE FOUNDATIONS GOALS AND THE AMOUNT AND SPECIFIC USE OF THE REQUESTED GRANT. THE FOUNDATION WILL NOTIFY THE APPLICANT WITHIN 3 WEEKS IF THE FOUNDATION IS WILLING TO REVIEW A FULL PROPOSAL.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

MUST BE CONSISTENT WITH FOUNDATION MISSION STATEMENT.

Messages (continued)

continuity plan go to www.nmlsinvestments.com or contact our home office at 1-866-664-7737.

Quarterly Request for Updated Client Information. Please inform your financial advisor of any changes in your financial situation or investment objectives, or if you wish to modify or impose a reasonable restriction on your account. Your financial advisor can be reached at the telephone number on the first page of this statement.

Schedule of Realized Gains and Losses Year-to-Date

Disposition Date	Acquisition Date	Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss/ Disallowance	Term
09/24/12	Multiple*	SELL Average Cost (Using First In First Out)	ALLIANZ NFI DIVIDEND VALUE FUND	PNEAX	137.282	1,424.66	1,783.29	358.63	Short Term
09/24/12	Multiple*	MULT Average Cost (Using First In First Out)	DWS DREMAN SMALL CAP VALUE FUND	KDSAX	29.458	1,067.90	1,085.83		17.93 Short Term
09/24/12	Multiple*	MULT Average Cost (Using First In First Out)	DWS DREMAN SMALL CAP VALUE FUND	KDSAX	152.383	5,524.02	5,616.83	92.81	Long Term
09/24/12	Multiple*	SELL Average Cost (Using First In First Out)	EUROPACIFIC GROWTH FUND CLASS F-1	AEGFX	20.205	848.46	806.60	-41.86	Long Term
09/24/12	Multiple*	SELL Average Cost (Using First In First Out)	FIDELITY ADVISOR NEW INSIGHTS FUND CLASS	FINSX	120.149	2,390.64	2,848.73	458.09	Long Term
09/24/12	Multiple*	SELL Average Cost (Using First In First Out)	THE OAKMARK INTERNATIONAL FUND	OAKIX	66.414	1,353.27	1,287.11	-66.16	Long Term
09/24/12	Multiple*	SELL Average Cost (Using First In First Out)	PERKINS MID CAP VALUE FUND	JMCVX	26.887	614.76	599.57	-15.19	Long Term



Statement Period: 11/01/2012 - 12/31/2012

Schedule of Realized Gains and Losses Year-to-Date (continued)

Disposition Date	Acquisition Date	Disposition Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss/Disallowed	Term
09/24/12	Multiple	MULT	LOOMIS SAYLES BOND FUND RETAIL	LSBRX	102.043	1,474.58	1,526.56	51.98	Short Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple*	MULT	LOOMIS SAYLES BOND FUND RETAIL	LSBRX	1,748.531	25,117.91	26,158.03	1,040.12	Long Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple*	SELL	MFS VALUE FUND CLASS I	MEIIX	143.967	3,384.13	3,738.82	354.69	Long Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple	MULT	MFS HIGH-YIELD OPPORTUNITIES FUND	MHOAX	148.447	950.26	970.84	20.58	Short Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple*	MULT	MFS HIGH-YIELD OPPORTUNITIES FUND	MHOAX	2,028.790	13,164.53	13,268.29	103.76	Long Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple	MULT	METROPOLITAN WEST HIGH YIELD BOND	MWHYX	770.585	7,548.90	8,029.50	480.60	Short Term
		Average							
		Cost (Using First In First Out)							
09/24/12	Multiple*	SELL	T ROWE PRICE EMERGING MARKETS	PRMSX	15.655	525.35	505.51	-19.84	Long Term
		Average							
		Cost (Using First In First Out)							

Schedule of Realized Gains and Losses Year-to-Date (continued)

Disposition Date	Acquisition Date	Disposition Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss/ Disallowance	Term
09/24/12	Multiple	SELL	T ROWE PRICE REAL ESTATE	TRREX	108.657	1,963.27	2,304.62	341.35	Long Term
Average Cost (Using First In First Out)									
Total Short Term						\$12,466.30	\$13,396.02	\$929.72	
Total Long Term						\$54,886.34	\$57,134.11	\$2,247.77	
Total Short-Term and Long Term						\$67,352.64	\$70,530.13	\$3,177.49	



Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. THE CARTER FAMILY FOUNDATION	Employer identification number (EIN) or 20-3311749
	Number, street, and room or suite no. If a P O box, see instructions. 130 SPUR CIRCLE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WAYZATA, MN 55391-9577	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

DIANA CLARKE-CARTER

- The books are in the care of ► **130 SPUR CIRCLE - WAYZATA, MN 55391-9577**

Telephone No ► **763-390-4277**

FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for ☒ calendar year **2012** or ☐ tax year beginning _____, and ending _____

2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 127.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 127.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2013)