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

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.

POSTMARK DATE NOV 13 2013

For calendar year 2012 or tax year beginning 2012, and ending 2012

Name of foundation: **BLUE MOUNTAIN CENTER**

Number and street (or P.O. box number if mail is not delivered to street address): **P.O. Box 109**

Room/suite: \_\_\_\_\_

City or town, state, and ZIP code: **BLUE MOUNTAIN LAKE, NY 12812**

A Employer identification number: **22-2370485**

B Telephone number (see instructions): **(518) 352-7300**

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

G Check all that apply:  Initial return  Initial return of a former public charity  
 Final return  Amended return  
 Address change  Name change

H Check type of organization:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c)): \_\_\_\_\_

J Accounting method:  Cash  Accrual  
 Other (specify) **MODIFIED CASH**  
*(Part I, column (d) must be on cash basis.)*

NOV 14 2013

Part I	Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)	5052629			
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	2520	2520	2520	
4	Dividends and interest from securities	2877	2877	2877	
5a	Gross rents <b>Unrealized Gains</b>	307188			
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	889334			
b	Gross sales price for all assets on line 6a <b>Not Available</b>				
7	Capital gain net income (from Part IV, line 2)		882702		
8	Net short-term capital gain			41804	
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) <b>Application Fees</b>	4940			
12	<b>Total.</b> Add lines 1 through 11	6254488	888099	47201	
13	Compensation of officers, directors, trustees, etc.	143655	9366	9366	184289
14	Other employee salaries and wages	153863	15387	15387	138476
15	Pension plans, employee benefits	128044			128044
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)	10000	5000	5000	5000
c	Other professional fees (attach schedule) <b>Investment Mgt Fee</b>	22880	22880	22880	
17	Interest				
18	Taxes (attach schedule) (see instructions)	(2076)			(2076)
19	Depreciation (attach schedule) and depletion	28451			
20	Occupancy <b>NOV-14-2013</b>	113173			113173
21	Travel, conferences, and meetings	7186			7186
22	Printing and publications				
23	Other expenses (attach schedule) <b>SCHEDULE 3</b>	233120			233120
24	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	788296	52633	52633	707212
25	Contributions, gifts, grants paid	15000			15000
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25	803296	52633	52633	722212
27	Subtract line 26 from line 12:				
a	<b>Excess of revenue over expenses and disbursements</b>	5456192			
b	<b>Net investment income</b> (if negative, enter -0-)		835466		
c	<b>Adjusted net income</b> (if negative, enter -0-)			205	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing . . . . .	156257	385576	385576
	2	Savings and temporary cash investments . . . . .	424617	682581	682581
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶	-	-	-
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶	-	-	-
	5	Grants receivable . . . . .	-	-	-
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .	-	-	-
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶	-	-	-
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .	4376	2410	2410
	10a	Investments—U.S. and state government obligations (attach schedule)	-	-	-
	b	Investments—corporate stock (attach schedule) . . . . .	-	-	-
	c	Investments—corporate bonds (attach schedule) . . . . .	-	-	-
	11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶				
12	Investments—mortgage loans . . . . .				
13	Investments—other (attach schedule) ▶ SCHEDULE 5	8359543	13174047	13174047	
14	Land, buildings, and equipment: basis ▶ SCHEDULE 6	672489	747079	747079	
	Less: accumulated depreciation (attach schedule) ▶ SCHEDULE 6				
15	Other assets (describe ▶ RESTRICTED CASH)	380723	462504	462504	
16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .	9998005	15454197	15454197	
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 (attach schedule) . . . . .	-	-	
	22	Other liabilities (describe ▶)	-	-	
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	-	-	
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input type="checkbox"/>				
	24	Unrestricted . . . . .	5298300	5861468	
	25	Temporarily restricted . . . . .	399705	485040	
	26	Permanently restricted . . . . .	4300000	9107689	
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input type="checkbox"/>				
	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	<b>Total net assets or fund balances</b> (see instructions) . . . . .	9998005	15454197	
31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	9998005	15454197		

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	9998005
2	Enter amount from Part I, line 27a . . . . .	2	5456192
3	Other increases not included in line 2 (itemize) ▶	3	-
4	Add lines 1, 2, and 3 . . . . .	4	15454197
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6	15454197

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SCHEDULE 4			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (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		L-T GAINS	876907
b		S-T GAINS	41804
c		L-T LOSSES	(36089)
d		Return of Capital	6632 Not taxable
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	882702
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	41804

**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	692 101	16411 463	.1079
2010	556 692	5611 005	.0992
2009	556 323	6111 715	.0910
2008	592 706	500 3801	.1185
2007	639 825	8707 736	.0735

2 Total of line 1, column (d)	2	.4901
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	.0980
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	14 021 053
5 Multiply line 4 by line 3	5	1 374 343
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	13 743
7 Add lines 5 and 6	7	1 388 086
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	833 010

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

1a Exempt operating foundations described in section 4940(d)(2), check here [ ] and enter "N/A" on line 1. Date of ruling or determination letter (attach copy of letter if necessary—see instructions)
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here [x] 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-)
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 2012 estimated tax payments and 2011 overpayment credited to 2012
b Exempt foreign organizations—tax withheld at source
c Tax paid with application for extension of time to file (Form 8868)
d Backup withholding erroneously withheld
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 2013 estimated tax Refunded

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?
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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.
c Did the foundation file Form 1120-POL for this year?
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. (2) On foundation managers.
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers.
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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.
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?
b If "Yes," has it filed a tax return on Form 990-T for this year?
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 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?
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
8a Enter the states to which the foundation reports or with which it is registered (see instructions)
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
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
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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 > www.bluemountaincenter.org . . . . . 13 X
14 The books are in care of > Sharon Fish Telephone no. > (518) 352-7300
Located at > Blue Mountain Lake, NY ZIP+4 > 12812
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 . . . N/A > 15
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? . . . . . 16 Yes No X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country >

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . [ ] Yes [X] No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . [ ] Yes [X] No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . [ ] Yes [X] No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . [ ] Yes [X] No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . [ ] Yes [X] No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) . . . . . [ ] Yes [X] 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)? . . . . . N/A
Organizations relying on a current notice regarding disaster assistance check here . . . . . > [ ]
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012? . . . . . 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? . . . . . [ ] Yes [X] No
If "Yes," list the years > 20 , 20 , 20 , 20
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.) . . . . . 2b 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? . . . . . [ ] Yes [X] No
b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.) . . . . . N/A 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . . 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012? . . . . . 4b X



BLUE MOUNTAIN CENTER

22-2370485

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
BLUE LINE ELECTRICAL BLUE MOUNTAIN LAKE, NY 12812	ELECTRICAL PROJECT	69313

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 The Center provides space for promising writers to develop their literary talents in a favorable environment & facilities for social change conferences	690954
2 Project to explore ways to raise visibility & importance of preservation of the Commons	76,192
3 Project collects art work & written work to stimulate awareness of the US invasions in the Middle East	28,884
4 Other special projects	7,266

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 . . . . . ▶

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1a</b>	12945142
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	824516
<b>c</b>	Fair market value of all other assets (see instructions) (PPE used for charitable purpose)	<b>1c</b>	464914
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	14234572
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	-
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	14234572
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions) . . . . .	<b>4</b>	213519
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	14021053
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	701053

**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.)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	701053
<b>2a</b>	Tax on investment income for 2012 from Part VI, line 5 . . . . .	<b>2a</b>	16709
<b>b</b>	Income tax for 2012. (This does not include the tax from Part VI.) . . . . .	<b>2b</b>	-
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2c</b>	16709
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	684344
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	-
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	684344
<b>6</b>	Deduction from distributable amount (see instructions) . . . . .	<b>6</b>	-
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	684344

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26 . . . . .	<b>1a</b>	729969
<b>b</b>	Program-related investments—total from Part IX-B . . . . .	<b>1b</b>	-
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	103041
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3a</b>	-
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3b</b>	-
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	833010
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . .	<b>5</b>	-
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	833010

**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 . . . . .				6843 44
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only . . . . .				
b Total for prior years: 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2012:				
a From 2007 . . . . .				
b From 2008 . . . . .				
c From 2009 . . . . .				
d From 2010 . . . . .				
e From 2011 . . . . .				
f Total of lines 3a through e . . . . .				
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ _____				
a Applied to 2011, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required—see instructions) . . . . .				
c Treated as distributions out of corpus (Election required—see instructions) . . . . .				
d Applied to 2012 distributable amount . . . . .				
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2012 (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:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .				
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
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 . . . . .				
d Subtract line 6c from line 6b. Taxable amount—see instructions . . . . .				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions . . . . .				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 . . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .				
10 Analysis of line 9:				
a Excess from 2008 . . . . .				
b Excess from 2009 . . . . .				
c Excess from 2010 . . . . .				
d Excess from 2011 . . . . .				
e Excess from 2012 . . . . .				

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . .

b Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(i)(5)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a . . . . .	-0-	12593	33249	12549	58391
c Qualifying distributions from Part XII, line 4 for each year listed . . . . .	-0-	10704	28262	10667	49633
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 . . . . .	833010	692101	556692	556323	2638126
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 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .	467369	222889	187033	203724	1081015
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) . . . . .	N/A				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

**Part XV** Supplementary Information (continued)

**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a Paid during the year</p>				
<p>INARA VERZEMNICKS PO BOX 109 BLUE MOUNTAIN LAKE, NY 12812</p>	<p>NONE</p>	<p>NONE</p>	<p>MARGOLIS AWARD</p>	<p>5000</p>
<p>MOVEMENT STRATEGY CENTER PO BOX 109 BLUE MOUNTAIN LAKE, NY 12812</p>	<p>NONE</p>	<p>NONE</p>	<p>DONATION</p>	<p>10000</p>
<b>Total</b>				<p>3a 15000</p>
<p>b Approved for future payment</p>				
<p>NONE</p>				
<b>Total</b>				<p>3b -</p>



Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash, (2) Other assets, b Other transactions: (1) Sales of assets to a noncharitable exempt organization, (2) Purchases of assets from a noncharitable exempt organization, (3) Rental of facilities, equipment, or other assets, (4) Reimbursement arrangements, (5) Loans or loan guarantees, (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.

Table with 2 columns: Yes, No. Rows 1a(1) through 1c. Marked with 'X' in the 'No' column.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Entry: N/A

- 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... b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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. Signature of officer or trustee: Susan W. Sloboda, Date: 10/31/13, Title: President.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only: Print/Type preparer's name: SUSAN W SVOBODA, Preparer's signature: Susan W. Sloboda, Date: 10/14/13, Firm's name: SUSAN W SVOBODA, CPA, Firm's EIN: 112-38-5660, Firm's address: 12 TAMARAC DR TUPPER LAKE, NY 12986, Phone no: (518) 572-2265.

### Schedule of Contributors

2012

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

Name of the organization

Employer identification number

BLUE MOUNTAIN CENTER

22-2370485

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 foundation

Check 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 $\frac{1}{3}$ % 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).

Name of organization <b>BLUE MOUNTAIN CENTER</b>	Employer identification number <b>22-2370485</b>
---	---

**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	HKH FOUNDATION % ANCHIN, BLOCK, ANCHIN 1375 BROADWAY, NY, NY 10018	\$ 2274461	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
2	ANONYMOUS PO BOX 109 BLUE MOUNTAIN LAKE, NY 12812	\$ 2733228	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>

BLUE MOUNTAIN CENTER 2012

22-2370485

SCHEDULE A

PART 1 line 1

CONTRIBUTIONS

HHH FOUNDATION

ENDOWMENT

SPECIAL PROJECT FUND

CIVIC PARTICIPATION

2074461

100000

100000

ANONYMOUS

ENDOWMENT

MARGOLIS

UNRESTRICTED

2733228

4745

40195

5052629

BLUE MOUNTAIN CENTER

22-2370485

SCHEDULE 2 - TAXES

PART 1 line 18

Property & School taxes  
Income tax refund

\$ 2,633  
(4,709)  

---

\$ (2,076)

BLUE MOUNTAIN CENTER

22-2370485

SCHEDULE 3

PART 1 line 23

Food & beverages	\$ 39,014
Special projects	112,342
Repairs & maintenance	18,184
Household supplies	32,855
Office supplies	11,393
Insurance	15,528
Telephone	3,200
Other	604
	<hr/>
	\$ <u>233,120</u>

SCHEDULE 4

PART IV LINE 2

REALIZED LONG-TERM GAINS

SENTINEL

\$ 39,458

ACCOLADE PARTNERS

752,310

TIFF

84,861

ACT

278

876,907

REALIZED SHORT-TERM GAIN

TIFF

41,804

REALIZED LONG-TERM LOSS

ACCOLADE PARTNERS

(36,009)

NET

600

TOTAL

882,702

## SCHEDULE 5

PART II line 13

## OTHER INVESTMENTS

	BEGINNING	ENDING
MONEY MARKET	\$ 1,414,614	\$ 934,120
MUTUAL FUNDS	2,454,948	5,590,824
PARTNERSHIP INVESTMENTS	4,477,538	6,639,237
COMMUNITY TRUST	10,000	9,866
ACCRUED INTEREST	<u>2,443</u>	<u>-</u>
	<u>\$ 8,359,543</u>	<u>\$ 13,174,047</u>

SCHEDULE 6

22-2370485

BLUE MOUNTAIN CENTER  
GENERAL DEPRECIATION  
December 31, 2011

PART II line 14

Asset Description	Date Placed in Service	Cost	Method	Convention	Life	Accumulated Depreciation 2010	Depreciation 2011	Accumulated Depreciation 2011	Depreciation 2012	Accumulated Depreciation 2012
Studio	12/31/1991	2,500	SL	HY	31.5	1,343	79	1,422	79	1,501
Leasehold Improvements	7/1/1991	25,922	SL	HY	31.5	16,069	823	16,892	823	17,715
Leasehold Improvements	11/1/1990	8,176	SL	HY	31.5	5,232	260	5,492	260	5,752
Leasehold Improvements	7/1/1992	8,907	SL	HY	31.5	5,248	283	5,531	283	5,814
Studio	7/1/1984	11,261	SL	HY	20	11,261	-	11,261	-	11,261
Leasehold Improvements	7/1/1984	1,554	SL	HY	20	1,554	-	1,554	-	1,554
Studio	11/1/1993	2,461	SL	HY	31.5	1,449	78	1,527	78	1,605
Leasehold Improvements	9/1/1993	1,300	SL	HY	31.5	709	41	750	41	791
Leasehold Improvements	5/1/1994	3,961	SL	HY	31.5	2,190	270	2,460	128	2,588
Studio	4/1/1994	8,500	SL	HY	31.5	4,407	270	4,677	270	4,947
Studio	5/1/1994	8,350	SL	HY	31.5	3,934	265	4,199	265	4,464
Studio	6/1/1994	4,737	SL	HY	31.5	2,226	150	2,376	150	2,526
Studio	8/1/1994	1,586	SL	HY	31.5	746	50	796	50	846
Studio	9/1/1994	808	SL	HY	31.5	386	26	412	26	438
Leasehold Improvements	6/15/1996	18,302	SL	HY	31.5	8,473	581	9,054	581	9,635
Leasehold Improvements	6/1/1997	67,571	SL	HY	31.5	29,136	2,145	31,281	2,145	33,426
Leasehold Improvements	7/1/1997	9,750	SL	HY	31.5	6,820	310	7,130	310	7,440
Shower	4/1/2000	606	SL	HY	31.5	201	19	220	19	239
Flooring	5/1/2000	1,369	SL	HY	31.5	452	43	495	43	538
Flooring	12/1/2000	1,899	SL	HY	31.5	602	60	662	60	722
Cabin	12/31/2000	1,622	SL	HY	31.5	512	51	563	51	614
Leasehold Improvements	2/28/2001	12,565	SL	HY	31.5	3,923	399	4,322	399	4,721
Leasehold Improvements	3/16/2001	13,773	SL	HY	31.5	4,281	437	4,698	437	5,135
Leasehold Improvements	3/29/2001	27,332	SL	HY	31.5	8,458	867	9,325	867	10,192
Leasehold Improvements	4/20/2001	25,166	SL	HY	31.5	7,724	799	8,523	799	9,322
Leasehold Improvements	6/22/2001	1,009	SL	HY	31.5	304	32	336	32	368
Leasehold Improvements	6/5/2001	223	SL	HY	31.5	67	7	74	7	81
Leasehold Improvements	12/16/2001	1,414	SL	HY	31.5	405	45	450	45	495
Town House	6/12/2001	77,600	SL	HY	31.5	23,809	2,464	26,073	2,464	28,537
Leasehold Improvements	6/26/2001	1,647	SL	HY	31.5	494	52	546	52	598
Leasehold Improvements	8/18/2001	6,068	SL	HY	31.5	1,801	193	1,994	193	2,187
Flooring	10/1/1999	15,866	SL	HY	31.5	6,048	504	6,552	504	7,056
Leasehold Improvements	7/1/2003	109,362	SL	HY	31.5	25,351	3,472	28,823	3,472	32,295
Alarm System	6/30/2005	2,334	MSL	HY	5	2,569	(235)	2,334	-	2,334
Boiler	11/17/2005	5,025	MSL	HY	10	2,515	503	3,018	503	3,521
Beds	7/1/2006	2,372	MACRS	HY	5	2,133	239	2,372	-	2,372
Roof	10/1/2006	11,244	MACRS	HY	31.5	1,606	357	1,963	357	2,320
Stable Roof	7/20/2007	4,750	SL	HY	31.5	604	151	755	151	906
Apt Renovation	8/17/2007	38,993	SL	HY	31.5	4,952	1,238	6,190	1,238	7,428
Auto	5/25/2001	20,594	150DB	HY	5	20,594	-	20,594	-	20,594
Video Projector	8/26/2008	3,486	SL	HY	5	1,745	698	2,443	698	3,141
Volvo	10/31/2009	12,436	SL	HY	5	3,731	2,487	6,218	2,487	8,705
Wel-Dun* Water purification system		3,174	SL	HY	5	1,443	1,126	2,569	605	3,174
Leasehold Improvements		1,000	SL	HY		1,000		1,000		1,000
Wel-Dun* water system	4/1/2010	2,456	SL	HY	5		246	246	491	737
Mac Computer	6/20/2011	2,085	SL	HY	3		348	348	696	1,043
New Bndge	4/18/2011	40,000	SL	HY	31.5		635	635	1,270	1,905
Laundry renovation	6/7/2011	7,682	SL	HY	5		154	154	1,538	1,690
Total 2011 Depreciable Assets		640,798					23,022	251,309		
Electrical Project	12/30/2012	91,310	SL	HY	15				3,044	3,044
Winng Upgrade	5/7/2012	8,510	SL	HY	15				284	284
Pathway Lights	9/4/2012	3,221	SL	HY	10				161	161

Land 283,000

Total Fixed assets

1,026,839

28,451

279,760

Acc Dep  
Book Value

279,760  
# 74,707.9