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

**2012**

Department of the Treasury  
Internal Revenue Service

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

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

MORSE HILL FOUNDATION INC  
20 CORPORATE WOODS BLVD SUITE 600  
ALBANY, NY 12211

**A** Employer identification number  
22-3083890

**B** Telephone number (see the instructions)  
518-465-4747

**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, column (c), line 16)  
\$ 10,882,312.

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

<b>Part I Analysis of Revenue and Expenses</b> (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)	
<b>REVENUE</b>	<b>1</b> Contributions, gifts, grants, etc., received (att sch)	97,500.				
	<b>2</b> Ck <input type="checkbox"/> if the foundn is not req to att Sch B					
	<b>3</b> Interest on savings and temporary cash investments	415.	415.			
	<b>4</b> Dividends and interest from securities	277,429.	277,429.			
	<b>5a</b> Gross rents	34,329.	34,329.			
	<b>b</b> Net rental income or (loss)	34,329.				
	<b>6a</b> Net gain/(loss) from sale of assets not on line 10	175,495.				
	<b>b</b> Gross sales price for all assets on line 6a					
	<b>7</b> Capital gain net income (from Part IV, line 2)		175,495.			
	<b>8</b> Net short-term capital gain					
	<b>9</b> Income modifications					
	<b>10a</b> Gross sales less returns and allowances					
	<b>b</b> Less Cost of goods sold					
	<b>c</b> Gross profit/(loss) (att sch)					
	<b>11</b> Other income (attach schedule)	See Statement 1	-353.			
	<b>12</b> Total. Add lines 1 through 11		584,815.	487,668.	0.	
	<b>13</b> Compensation of officers, directors, trustees, etc		0.			
	<b>14</b> Other employee salaries and wages					
	<b>15</b> Pension plans, employee benefits					
	<b>16a</b> Legal fees (attach schedule)					
	<b>b</b> Accounting fees (attach sch)	See St 2	750.	750.		
	<b>c</b> Other prof fees (attach sch)					
	<b>17</b> Interest					
<b>18</b> Taxes (attach schedule) (see instrs)	See Stm 3	55,113.	5,438.			
<b>19</b> Depreciation (attach sch) and depletion		7,500.	7,500.			
<b>20</b> Occupancy						
<b>21</b> Travel, conferences, and meetings						
<b>22</b> Printing and publications						
<b>23</b> Other expenses (attach schedule)	See Statement 4	82,909.	41,013.		41,896.	
<b>24</b> Total operating and administrative expenses. Add lines 13 through 23		146,272.	54,701.		41,896.	
<b>25</b> Contributions, gifts, grants paid Part XV		440,000.			440,000.	
<b>26</b> Total expenses and disbursements. Add lines 24 and 25		586,272.	54,701.	0.	481,896.	
<b>27</b> Subtract line 26 from line 12:						
<b>a</b> Excess of revenue over expenses and disbursements		-1,457.				
<b>b</b> Net investment income (if negative, enter -0-)			432,967.			
<b>c</b> Adjusted net income (if negative, enter -0-)				0.		

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MAY 15 2013

OPERATING AND ADMINISTRATIVE EXPENSES

75A ADMINISTRATIVE EXPENSES

OGDEN, UT

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	165,824.	10,094.	10,094.
	2	Savings and temporary cash investments	1,347,112.	1,104,340.	1,104,340.
	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 sch)			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) Statement 5	4,888,921.	5,437,485.	6,218,042.
	c	Investments – corporate bonds (attach schedule) Statement 6	2,856,002.	3,065,203.	3,162,336.
	11	Investments – land, buildings, and equipment: basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe See Statement 7)	79,863.	64,226.	387,500.	
16	<b>Total assets</b> (to be completed by all filers – see the instructions. Also, see page 1, item I)	9,337,722.	9,681,348.	10,882,312.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable		950,000.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & 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)	0.	950,000.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	9,337,722.	8,731,348.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	<b>Total net assets or fund balances</b> (see instructions)	9,337,722.	8,731,348.		
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	9,337,722.	9,681,348.		

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	9,337,722.
2	Enter amount from Part I, line 27a	2	-1,457.
3	Other increases not included in line 2 (itemize) See Statement 8	3	345,083.
4	Add lines 1, 2, and 3	4	9,681,348.
5	Decreases not included in line 2 (itemize) See Statement 9	5	950,000.
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	8,731,348.

**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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a				
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			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))	
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (i) over column (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss).	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	175,495.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

Yes

No

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

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 (column (b) divided by column (c))
2011	487,726.	10,135,105.	0.048122
2010	453,684.	9,760,558.	0.046481
2009	500,061.	9,019,076.	0.055445
2008	530,814.	10,345,886.	0.051307
2007	497,915.	10,908,424.	0.045645
2 Total of line 1, column (d)			2 0.247000
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 0.049400
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 10,249,286.
5 Multiply line 4 by line 3			5 506,315.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 4,330.
7 Add lines 5 and 6			7 510,645.
8 Enter qualifying distributions from Part XII, line 4			8 481,896.

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

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

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	8,659.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	8,659.
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	8,659.
6 Credits/Payments.			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a	29,324.	
b Exempt foreign organizations – tax withheld at source.	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d		7	29,324.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	20,665.
11 Enter the amount of line 10 to be Credited to 2013 estimated tax		11	12,005.
			8,660. Refunded

**Part VIIA Statements Regarding Activities**

	Yes	No
1 a 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 the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		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? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) NY		
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? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

BAA

**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>MICHELLE LECLAIR</u> Telephone no. <u>518-465-4747</u> Located at <u>20 CORP. WOODS BLVD SUITE 600 ALBANY NY</u> ZIP + 4 <u>12211</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>	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 <u></u>	16		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
1 a	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"/>	1 b	N/A
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?	1 c	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? If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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.)	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3 a	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.)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	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)? (see instructions)  Yes  No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

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

Organizations relying on a current notice regarding disaster assistance check here

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

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?

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

5b	N/A	
6b		X
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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MICHAEL B PICOTTE 20 CORPORATE WOODS BLVD ALBANY, NY 12211	PRESIDENT 0	0.	0.	0.
MARGARET L. PICOTTE 20 CORPORATE WOODS BLVD ALBANY, NY 12211	VP/Treasurer 0	0.	0.	0.
	0	0.	0.	0.

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

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

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

0





**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				503,805.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			440,072.	
b Total for prior years: 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e.	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 481,896.				
a Applied to 2011, but not more than line 2a			440,072.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2012 distributable amount				41,824.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012. (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				461,981.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				



**Part XV Supplementary Information (continued)**

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

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 <i>Paid during the year</i> See Statement 10				
<b>Total</b>				▶ <b>3 a</b> 440,000.
b <i>Approved for future payment</i>				
<b>Total</b>				▶ <b>3 b</b>





**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

MORSE HILL FOUNDATION INC

Employer identification number

22-3083890

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

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 33-1/3% 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).

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ,**

Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

MORSE HILL FOUNDATION INC

22-3083890

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	KMP CLT II 20 CORPORATE WOODS BLVD ALBANY, NY 12211,	\$ 97,500.	Person <input 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.)



Name of organization

MORSE HILL FOUNDATION INC

Employer identification number

22-3083890

**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 total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.)

\$ N/A

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

## MORSE HILL FOUNDATION INC

22-3083890

**Statement 1**  
**Form 990-PF, Part I, Line 11**  
**Other Income**

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	\$ -353.		
Total	<u>\$ -353.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**Statement 2**  
**Form 990-PF, Part I, Line 16b**  
**Accounting Fees**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
WEISER FEES	\$ 750.	\$ 750.		
Total	<u>\$ 750.</u>	<u>\$ 750.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**Statement 3**  
**Form 990-PF, Part I, Line 18**  
**Taxes**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
CURRENT YEAR ESTIMATED	\$ 29,324.			
FLORIDA TAX	33.			
FOREIGN TAX	5,438.	\$ 5,438.		
PAID WITH RETURN	20,318.			
Total	<u>\$ 55,113.</u>	<u>\$ 5,438.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**Statement 4**  
**Form 990-PF, Part I, Line 23**  
**Other Expenses**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
CHARITIES FEE	\$ 750.			\$ 750.
K-1 INVESTMENT EXPENSES	35,392.	\$ 17,696.		17,696.
LAW JOURNAL	130.			130.
MELLON CUSTODY FEE	3,151.	1,575.		1,576.
MISC EXPENSES	75.	37.		38.
MJP HOLDINGS.	43,411.	21,705.		21,706.
Total	<u>\$ 82,909.</u>	<u>\$ 41,013.</u>	<u>\$ 0.</u>	<u>\$ 41,896.</u>

## MORSE HILL FOUNDATION INC

22-3083890

**Statement 5**  
**Form 990-PF, Part II, Line 10b**  
**Investments - Corporate Stocks**

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
COMMON STOCK	Cost	\$ 0.	\$ 0.
MJP LARGE CAP FUND, LLC	Cost	1,034,652.	1,536,427.
MJP INTERNATIONAL FUND	Cost	373,827.	503,573.
MJP SMALL CAP FUND	Cost	381,701.	669,116.
MECHANICAL TECHNOLOGY STOCK	Cost	262,506.	335.
JENSEN LARGE GROWTH	Cost	1,534,261.	1,658,056.
SEMPER VIC PARTNERS	Cost	1,850,538.	1,850,535.
	Total	<u>\$ 5,437,485.</u>	<u>\$ 6,218,042.</u>

**Statement 6**  
**Form 990-PF, Part II, Line 10c**  
**Investments - Corporate Bonds**

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
PIMPCO TOTAL RETURN	Cost	\$ 3,065,203.	\$ 3,162,336.
	Total	<u>\$ 3,065,203.</u>	<u>\$ 3,162,336.</u>

**Statement 7**  
**Form 990-PF, Part II, Line 15**  
**Other Assets**

	Book Value	Fair Market Value
KMP PROPERTIES . . . . .	\$ 64,226.	\$ 387,500.
	Total <u>\$ 64,226.</u>	<u>\$ 387,500.</u>

**Statement 8**  
**Form 990-PF, Part III, Line 3**  
**Other Increases**

ROUNDING	\$	2.
TAX EXEMPT INCOME		3.
UNREALIZED APPRECIATION		7,514.
UNREALIZED APPRECIATION SEMPER K-1S		337,564.
	Total	<u>\$ 345,083.</u>

MORSE HILL FOUNDATION INC

22-3083890

**Statement 9**  
**Form 990-PF, Part III, Line 5**  
**Other Decreases**

INCREASE IN GRANTS PAYABLE ... .. \$ 950,000.  
 Total \$ 950,000.

**Statement 10**  
**Form 990-PF, Part XV, Line 3a**  
**Recipient Paid During the Year**

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
The Albany Academies 135 Academy Road Albany, NY 12208			1st installment of 6-year pledge (\$1,000,000) for the renovation and naming of the Michael Picotte Field House.	\$ 225,000.
The Augustinian Fund 214 Ashwood Road Villanova, PA 19085			2012 gift to the Augustinian Fund; a religious order.	25,000.
Villanova Universtiy 800 Lancaster Avenue Villanova, PA 19085			2012 gift to support Picotte Hall at Dundale Facility Endowment.	50,000.
The Adoption Alliance 7303 Blanco Road San Antonio, TX 78216			2012 gift supporting aid to families adopting children.	5,000.
Villanova University 800 Lancaster Avenue Villanova, PA 19085			2012 support to the Office of Learning Support Services - Dr. Nancy Mott.	25,000.
Capital Region Youth Tennis Foundation 785 Washington Avenue Albany, NY 12206			2012 gift to 15-LOVE's College Prep and Leadership Training Program.	10,000.

MORSE HILL FOUNDATION INC

22-3083890

Statement 10 (continued)  
Form 990-PF, Part XV, Line 3a  
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Capital District Humane Association PO Box 11330 Loudonville, NY 12211			2012 gift for general support.	\$ 5,000.
Community Foundation for Palm Beach and 700 South Dixie Highway, Suite 200 West Palm Beach, FL 33401			2012 support to the Morse Hill Foundation Palm Beach Donor Advised Fund of the Community Foundation.	5,000.
Compassion in Action/Koinonia Primary Ca 553 Clinton Avenue Albany, NY 12206			2012 gift in support of the programs.	10,000.
Capital City Rescue Mission 259 South Pearl Street Albany, NY 12202			2012 gift to support the program costs of the free clinic for the homeless community.	5,000.
The Royal Poinciana Chapel 60 Cocoanut Row Palm Beach, FL 33480			Additional 2012 payment on the 5-year (\$250,000) pledge to the Royal Poinciana Chapel for the naming of the Great Lawn and Historic Kapok Tree Garden.	25,000.
The Royal Poinciana Chapel 60 Cocoanut Row Palm Beach, FL 33480			1st installment of 5-year (\$250,000) pledge to the Royal Poinciana Chapel for the naming of the Great Lawn and Historic Kapok Tree Garden.	50,000.
			Total	\$ <u>440,000.</u>

FMV of Assets (990-PF)  
Corporate bonds [O]

CORPORATE BONDS		\$	0.
MJP TAXABLE FUND			0.
	Total	\$	<u>0.</u>