Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation THE COTSWOLD FOUNDATION	**A** Employer identification number 23-7767257
Number and street (or P O box number if mail is not delivered to street address) 234 BROUGHTON LANE — Room/suite	**B** Telephone number (see instructions) 610-353-3022
City or town, state, and ZIP code VILLANOVA PA 19085	**C** If exemption application is pending, check here ▶ ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	**D** 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	**E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 36,072,900 — **J** Accounting method ☒ Cash ☐ Accrual ☐ 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 ▶ ☐

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))*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	1,074,073			
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	514	514		
	4	Dividends and interest from securities	575,898	575,898		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,643,929			
	b	Gross sales price for all assets on line 6a 7,684,422				
	7	Capital gain net income (from Part IV, line 2)		1,643,929		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	123,458	123,458		
	12	**Total.** Add lines 1 through 11	3,417,872	2,343,799	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	2,400	1,200		1,200
	c	Other professional fees (attach schedule)	22,348	22,348		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	125,000			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	39,137	39,137		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	188,885	62,685	0	1,200
	25	Contributions, gifts, grants paid	1,701,785			1,701,785
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,890,670	62,685	0	1,702,985
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	1,527,202			
	b	**Net investment income** (if negative, enter -0-)		2,281,114		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets 1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	4,868,597	2,979,349	2,979,349
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			
10 a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	23,963,608	26,685,617	28,293,111
c	Investments—corporate bonds (attach schedule)	639,176	105,450	137,563
11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	5,394,968	6,028,279	4,662,877
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	34,866,349	35,798,695	36,072,900
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	**Total liabilities** (add lines 17 through 22)	0	0	
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	34,866,349	35,798,695	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	34,866,349	35,798,695	
31	**Total liabilities and net assets/fund balances** (see instructions)	34,866,349	35,798,695	

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	34,866,349
2	Enter amount from Part I, line 27a	2	1,527,202
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	36,393,551
5	Decreases not included in line 2 (itemize) ▶ DIFF BETWEEN BK VALUE & MKT VALUE OF STOCK GIFTS	5	594,856
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	35,798,695

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	See Attached Statement			
b	See Attached Statement			
c	See Attached Statement			
d	See Attached Statement			
e	See Attached Statement			

	(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				0
b				0
c				0
d				0
e				0

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				0
b				0
c				0
d				0
e				0

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	1,643,929
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	134,742

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	1,698,250	40,134,785	0 042314
2010	1,543,740	33,178,742	0 046528
2009	1,165,425	27,558,873	0 042289
2008	2,123,658	33,712,412	0 062993
2007	961,398	37,567,769	0 025591

2	**Total** of line 1, column (d)	2	0 219715
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 043943
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	35,960,696
5	Multiply line 4 by line 3	5	1,580,221
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	22,811
7	Add lines 5 and 6	7	1,603,032
8	Enter qualifying distributions from Part XII, line 4	8	1,702,985

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 ▶ ☐ 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	1	22,811
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	22,811
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	22,811
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 13,216		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 30,000		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	43,216
8	Enter any **penalty** for underpayment of estimated tax. Check here [X] if Form 2220 is attached	8	111
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	20,294
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 20,294 Refunded ▶	11	0

Part VII-A 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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*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?	1c		X
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*	2		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*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ PA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	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*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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?	13	X	
	Website address ▶ N/A			
14	The books are in care of ▶ THE PENNSYLVANIA TRUST CO Telephone no ▶ (610) 977-0261 Located at ▶ 100 MATSONFORD RD WAYNE PA ZIP+4 ▶ 19087			
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			
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		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.

			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? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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 ☒ 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 ☒ 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)?	1b	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 ☒ 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	N/A	
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 ☒ 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.)*	3b	N/A	
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

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)?		**5b**	N/A
	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? *If "Yes," attach the statement required by Regulations section 53 4945–5(d)*	☐ Yes ☐ No		
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*		**6b**	X (No)
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?		**7b**	N/A

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
I WISTAR MORRIS, III 234 BROUGHTON LANE VILLANOVA, PA 1908!	CO-TRUSTEE VARIES	0		
MARTHA H MORRIS 234 BROUGHTON LANE VILLANOVA, PA 1908!	CO-TRUSTEE VARIES	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 ▶

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
NONE		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

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 ▶	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	36,508,321
b	Average of monthly cash balances		1b	
c	Fair market value of all other assets (see instructions)		1c	
d	Total (add lines 1a, b, and c)		1d	36,508,321
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e		
2	Acquisition indebtedness applicable to line 1 assets		2	
3	Subtract line 2 from line 1d		3	36,508,321
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)		4	547,625
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	35,960,696
6	**Minimum investment return.** Enter 5% of line 5		6	1,798,035

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	1,798,035
2a	Tax on investment income for 2012 from Part VI, line 5	2a 22,811		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	22,811
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	1,775,224
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	1,775,224
6	Deduction from distributable amount (see instructions)		6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	1,775,224

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	1,702,985
b	Program-related investments—total from Part IX-B	1b	
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	1,702,985
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	22,811
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,680,174

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				1,775,224
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			265,690	
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	0			
4 Qualifying distributions for 2012 from Part XII, line 4. ▶ $ 1,702,985				
a Applied to 2011, but not more than line 2a			265,690	
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				1,437,295
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	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				
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			0	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				337,929
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) N/A

1 a 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(j)(5)

	Tax year (a) 2012	Prior 3 years (b) 2011	(c) 2010	(d) 2009	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))

I. WISTAR MORRIS, III MARTHA H MORRIS

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.

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

Check here ▶ [X] *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

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

c Any submission deadlines

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

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*				
SEE SCHEDULE ATTACHED	NONE	PUBLIC CHARITY	GENERAL PURPOSES	1,701,785
Total			▶ 3a	1,701,785
b *Approved for future payment*				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions)
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	514	
4 Dividends and interest from securities			14	575,898	
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			14	123,458	
8 Gain or (loss) from sales of assets other than inventory			18	1,643,929	
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		2,343,799	0

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 2,343,799

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions)

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 10/03/13 Title: co trustee

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
John J Dowds	John J Dowds	10/2/2013	☒	P00391566
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶ 2997 Pennview Ave, Broomall, PA 19008			Phone no	610-353-3022

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 COTSWOLD FOUNDATION

Employer identification number: 23-7767257

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 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: THE COTSWOLD FOUNDATION

Employer identification number: 23-7767257

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	MARTHA H MORRIS 234 BROUGHTON LN VILLANOVA PA 19085 Foreign State or Province: Foreign Country:	$ 472,963	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
2	ELEVENTH GENERATION LP 234 BROUGHTON LN VILLANOVA PA 19085 Foreign State or Province: Foreign Country:	$ 443,010	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
3	I WISTAR MORRIS, III 234 BROUGHTON LN VILLANOVA PA 19085 Foreign State or Province: Foreign Country:	$ 158,100	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
	Foreign State or Province: Foreign Country:	$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
	Foreign State or Province: Foreign Country:	$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
	Foreign State or Province: Foreign Country:	$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
THE COTSWOLD FOUNDATION	23-7767257

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
1	10,000 SHRS HARDINGE INC COMMON	$ 111,000	5/4/2012
2	10,000 SHRS HARDINGE INC COMMON	$ 111,000	5/4/2012
3	5,000 SHRS SENECA FOODS CORP A	$ 158,100	12/20/2012
1	11,500 SHRS SENECA FOODS CORP A	$ 361,963	12/24/2012
2	10,500 SHRS SENECA FOODS CORP A	$ 332,010	12/20/2012
		$	

Name of organization	Employer identification number
THE COTSWOLD FOUNDATION	23-7767257

Part III ***Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations 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 See instructions) ▶ $ 0
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
For Prov Country	

(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
For Prov Country	

(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
For Prov Country	

(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
For Prov Country	

Part I, Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	32,710
Short Term CG Distributions	20,902

Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Capital Gains/Losses	7,684,422	6,040,493	1,643,929
Other sales	0	0	0

	Check "X" to include in Part IV	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improve-ments	Depreciation	Adjustments	Net Gain or Loss
1	X	20,000 SHS DELL INC				8/22/2011	P	2/28/2012	351,985	280,877					71,108
2	X	14000 SHS NEWLINK GENETI				11/14/2011	P	10/4/2012	228,796	98,420					130,376
3	X	42,070 SHS A O SMITH				6/7/2007	P	1/3/2012	1,752,777	445,802					1,306,975
4	X	10,000 SHS SEAGATE TECH				6/26/2012	P	12/11/2012	294,930	241,309					53,621
5	X	18464 SHS COMPTON PETE				10/4/2011	P	9/11/2012	23,701	147,897					-124,196
6	X	8,000 SHS E V ENERGY PART				5/24/2012	P	12/20/2012	479,170	408,914					70,256
7	X	15,000 SHS NISKA GAS				8/12/2011	P	4/30/2012	185,918	169,749					16,169
8	X	27141 SHS NEWLINK GENETI				11/14/2011	P	9/14/2012	410,764	348,420					62,344
9	X	5000 SHS BP PLC ADR				6/21/2010	P	2/28/2012	239,387	153,101					86,286
10	X	2000 SHS HARDINGE INC				2/4/2010	P	2/2/2012	22,032	16,056					5,976
11	X	200 SHS PARGESA HLDG				5/25/2007	P	12/10/2012	13,691	23,332					-9,641
12	X	30 SHS RESERVE PETROLEU				9/25/1992	P	3/28/2012	11,223	638					10,585
13	X	2500 SHS SANOFI ADR				6/4/2010	P	8/3/2012	104,014	73,305					30,709
14	X	25000 SHS BENJAMIN FRANK				12/4/2006	P	12/4/2012	28,731	44,829					-16,098
15	X	12090 SHS COMPTON PETE C				3/2/2011	P	2/17/2012	55,317	134,984					-79,667
16	X	4500 SHS COMPTON PETE C				3/2/2011	P	2/22/2012	19,350	47,088					-27,738
17	X	39752 SHS COMPTON PETE C				3/2/2011	P	9/11/2012	51,027	415,962					-364,935
18	X	17400 SHS COMPTON PETE				10/4/2011	P	9/11/2012	22,335	139,449					-117,114
19	X	AIRCRAFT STAT TR N532AU				9/6/2007	P	12/7/2012	480	0					480
20	X	431343 SHS MERITOR SAVIN				6/24/2011	P	3/22/2012	1,854,778	1,796,097					58,681
21	X	344000 SHS MERITOR SAVIN				2/1/2000	P	3/22/2012	1,480,404	1,022,453					457,951
22	X	250 CALLS CHESAPEAKE EN				9/21/2010	P	1/21/2012	0	13,067					-13,067
23	X	250 CALLS CHESAPEAKE EN				3/12/2010	P	1/21/2012	0	18,744					-18,744
24															0

Part I, Line 11 (990-PF) - Other Income

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		123,458	123,458	0
1	AIRCRAFT STATUTORY TRUST	79,513	79,513	
2	E V ENERGY	15,310	15,310	
3	NISKA GAS	5,250	5,250	
4	SMITH INVESTMENT CO LLC	23,385	23,385	

Part I, Line 16b (990-PF) - Accounting Fees

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		2,400	1,200	0
1	JOHN J DOWDS	2,400	1,200	

Part I, Line 16b (990-PF) - Accounting Fees

	Disbursements for Charitable Purposes (Cash Basis Only)
	1,200
1	1,200

Part I, Line 16c (990-PF) - Other Professional Fees

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		22,348	22,348	0
1	INVESTMENT MGMT FEE	22,348	22,348	

Part I, Line 16c (990-PF) - Other Professional Fees

	Disbursements for Charitable Purposes (Cash Basis Only)
	0
1	

Part I, Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		125,000	0	0
1	Real estate tax not included in line 20			
2	Tax on investment income	125,000		
3	Income tax			

Part I, Line 18 (990-PF) - Taxes

	0
	Disbursements for Charitable Purposes
1	
2	
3	

Part I, Line 23 (990-PF) - Other Expenses

		39,137	39,137	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Fund Raising			
2	WIRE FEES	100	100	
3	MISC INVESTMENT EXP	538	538	
4	MGMT EXP RE VALLEY FORGE CAPITAL	38,499	38,499	
5				
6				

Part I, Line 23 (990-PF) - Other Expenses

	0
	Disbursements for Charitable Purposes
1	
2	
3	
4	
5	
6	

Part II, Line 10b (990-PF) - Investments - Corporate Stock

	Description	Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
			23,963,608	26,685,617	28,437,937	28,293,111
1	PRIOR YEARS CORPORATE STOCK					
2	VANGUARD FTSE EMERGING MKTS	40,000	0	1,636,948	0	1,781,200
3	15,000 SHS NISKA GAS STORAGE		169,749		133,350	
4	CEMPRA HOLDINGS PFD CL A	1,092,722	1,047,224		1,092,722	
5	CEMPRA HOLDINGS PFD CL B	277,540	360,802		360,802	
6	CEMPRA PHARMACEUTICALS CV PFD	1,671,955	1,803,320		1,805,711	
7	CURE DM INC CV PFD	233,590	0	0	0	397
8	BENJAMIN FRANKLIN FEDERAL	25,000	44,829		19,500	
9	MERITOR SAVINGS BANK	738,304	2,668,359	0	3,211,622	0
10	DOW CHEMICAL	30,000	284,082	911,300	287,600	969,882
11	DELL INC	20,000	280,877		292,600	
12	ALLEN ORGAN CO CL B	7,419	0		0	
13	HANOVER FOODS CL A	775	73,986	73,986	62,775	73,625
14	HANOVER FOODS CL B	2,550	51,653	237,226	39,285	244,953
15	SENECA FOODS CL A	98,992	1,466,990	1,809,740	1,858,833	3,009,357
16	SENECA FOODS CL B	13,932	177,528	177,528	362,789	417,960
17	HARDINGE INC	44,760	195,280	319,446	193,200	463,714
18	LAB-VOLT SYSTEMS	2,047	27,251	27,251	25,587	25,997
19	A O SMITH ESCROW	1,683	8,417	8,417	0	1,515
20	A O SMITH	42,070	445,802		1,687,848	
21	RESERVE PETROLEUM	833	18,339	17,701	260,626	249,908
22	B P PLC	5,000	153,101		213,700	
23	CHESAPEAKE ENERGY	206,000	6,013,098	6,197,191	4,368,840	3,423,720
24	TWO RIVERS WATER CO	169,547	172,851	172,851	181,950	203,456
25	NEWLINK GENETICS	41,141	348,420		289,633	
26	BANK OF BUTTERFIELD CVP	21,922	28,096	28,096	28,643	27,622
27	BANK OF NT BUTTERFIELD	263,078	337,165	337,165	343,738	331,478
28	SANOFI ADR	2,500	73,305		91,350	
29	KOREA ELECTRIC POWER	27,000	283,636	283,636	296,460	397,926
30	E L FINANCIAL LTD	1,160	156,944	156,944	387,463	497,402
31	ECONOMIC INV TRUST LTD	150	11,894	11,894	7,848	8,682
32	PARGESA HOLDING	200	23,332		13,784	
33	FAIRFAX FINANCIAL HOLDINGS	15,605	2,411,687	2,411,687	6,699,539	5,633,405
34	GLOBAL INDEMNITY PLC	15,187	229,363	229,363	301,158	336,088
35	UNITED CORPS LTD	3,200	135,029	135,029	135,210	169,685
36	NAUTILUS MINERALS	50,000	124,177	124,177	88,417	19,260
37	SHERRITT INTL CORP	253,095	1,901,080	1,901,080	1,453,398	1,457,274
38	COMPTON PETE	110,416	1,067,452		473,685	
39	KEYTECK LTD	75,038	556,689	556,689	461,484	461,484
40	ASCENDANT GROUP	64,540	811,801	811,801	906,787	742,210
41	TWO RIVERS WATER & FARMING COM	100,000	0	140,006	0	120,000
42	DIONISIO FARMS SER A PFD	500,000	0	950,000	0	950,000
43	TWO RIVERS FARMS SER A CV PFD	500,000	0	500,000	0	500,000
44	TWO RIVERS FARMS BL CV PFD	500,000	0	500,000	0	500,000
45	FIRST NATIONAL BANK OF NEBRASKA	75	0	259,392	0	303,750

Part II, Line 10b (990-PF) - Investments - Corporate Stock

			23,963,608	26,685,617	28,437,937	28,293,111
	Description	Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
46	FIRST CITIZENS BANCORP	233		115,077	0	116,849
47	W S B HOLDINGS INC	7,000	0	38,242	0	41,020
48	CEMPRA INC	474,616		3,363,015	0	3,037,542
49	AMERICAN INTL GROUP	10,000	0	318,398	0	353,000
50	CENTRAL STEEL & WIRE	102	0	68,859	0	67,855
51	CLIFFS NATURAL RES INC	15,000	0	1,009,068	0	578,550
52	SANDRIDGE ENERGY INC	95,000	0	663,148	0	603,250
53	GASTAR EXPLORATION NEW	42,200	0	68,600	0	51,062
54	EMPIRE CO LTD CL	1,000	0	56,247	0	59,000
55	TRNSPRTADORA DE GAS ADRF	35,814	0	58,419	0	63,033
56						

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

	Description	Interest Rate	Maturity Date	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
				639,176	105,450	636,735	137,563
1	UNITED AIRLINES	10 85%	2/19/2015	110,245	89,714	118,937	118,250
2	POPE & TALBOT SENIOR NOTES 6-1-13			13,195		0	
3	COGENT COMMON GROUP	1 00%	6/15/2027	15,736	15,736	17,798	19,313
4	TWO RIVERS SER A	5.00%	3/31/2014	500,000		500,000	
5	IDEARC INC	8 00%	11/15/2016				
6	SEE ATTACHED						

Part II, Line 13 (990-PF) - Investments - Other

	Asset Description	Basis of Valuation	Book Value Beg of Year	Book Value End of Year	FMV End of Year
			5,394,968	6,028,279	4,662,877
1	VALLEY FORGE CAPITAL, LP		1,531,693	3,113,581	4,464,534
2	MUTUAL FUNDS		3,658,249	0	0
3	SMITH INVESTMENT CO LLC				
4	CHESAPEAKE ENERGY CALLS		0	0	
5	CEMPRA HOLDINGS CV PROM NOTE		205,026		
6	ODYSSEY VALUE FUND			2,749,594	18,663
7	E V ENERGY PARTNERS LP			102,604	117,180
8	PROBARIS TECHNOLOGIES 12%			62,500	62,500

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	32,710
Short Term CG Distributions	20,902

	Description of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Adjustments	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
						7,630,810	0	0	6,040,493	1,590,317	0	0	0	1,590,317
1	20,000 SHS DELL INC		P	8/22/2011	2/28/2012	351,985			280,877	71,108	0	0	0	71,108
2	14000 SHS NEWLINK GENETICS		P	11/14/2011	10/4/2012	228,796			98,420	130,376	0	0	0	130,376
3	42,070 SHS A O SMITH		P	6/7/2007	1/3/2012	1,752,777			445,802	1,306,975	0	0	0	1,306,975
4	10,000 SHS SEAGATE TECH		P	6/26/2012	12/11/2012	294,930			241,309	53,621	0	0	0	53,621
5	18464 SHS COMPTON PETE		P	10/4/2011	9/11/2012	23,701			147,897	-124,196	0	0	0	-124,196
6	8,000 SHS E V ENERGY PARTNERS		P	5/24/2012	12/20/2012	479,170			408,914	70,256	0	0	0	70,256
7	15,000 SHS NISKA GAS		P	8/12/2011	4/30/2012	185,918			169,749	16,169	0	0	0	16,169
8	27141 SHS NEWLINK GENETICS		P	11/14/2011	9/14/2012	410,764			348,420	62,344	0	0	0	62,344
9	5000 SHS BP PLC ADR		P	6/21/2010	2/28/2012	239,387			153,101	86,286	0	0	0	86,286
10	2000 SHS HARDINGE INC		P	2/4/2010	2/2/2012	22,032			16,056	5,976	0	0	0	5,976
11	200 SHS PARGESA HLDG		P	5/25/2007	12/10/2012	13,691			23,332	-9,641	0	0	0	-9,641
12	30 SHS RESERVE PETROLEUM		P	9/25/1992	3/28/2012	11,223			638	10,585	0	0	0	10,585
13	2500 SHS SANOFI ADR		P	6/4/2010	8/3/2012	104,014			73,305	30,709	0	0	0	30,709
14	25000 SHS BENJAMIN FRANKLIN FED		P	12/4/2006	12/4/2012	28,731			44,829	-16,098	0	0	0	-16,098
15	12090 SHS COMPTON PETE CORP		P	3/2/2011	2/17/2012	55,317			134,984	-79,667	0	0	0	-79,667
16	4500 SHS COMPTON PETE CORP		P	3/2/2011	2/22/2012	19,350			47,088	-27,738	0	0	0	-27,738
17	39752 SHS COMPTON PETE CORP		P	3/2/2011	9/11/2012	51,027			415,962	-364,935	0	0	0	-364,935
18	17400 SHS COMPTON PETE CORP		P	10/4/2011	9/11/2012	22,335			139,449	-117,114	0	0	0	-117,114
19	AIRCRAFT STAT TR N532AU		P	9/6/2007	12/7/2012	480			0	480	0	0	0	480
20	431343 SHS MERITOR SAVINGS		P	6/24/2011	3/22/2012	1,854,778			1,796,097	58,681	0	0	0	58,681
21	344000 SHS MERITOR SAVINGS		P	2/1/2000	3/22/2012	1,480,404			1,022,453	457,951	0	0	0	457,951
22	250 CALLS CHESAPEAKE ENERGY		P	9/21/2010	1/21/2012	0			13,067	-13,067	0	0	0	-13,067
23	250 CALLS CHESAPEAKE ENERGY		P	3/12/2010	1/21/2012	0			18,744	-18,744	0	0	0	-18,744

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
										0	0	0
1	I WISTAR MORRIS, III		234 BROUGHTON LANE	VILLANOVA	PA	19085		CO-TRUSTEE	VARIES	0	0	0
2	MARTHA H MORRIS		234 BROUGHTON LANE	VILLANOVA	PA	19085		CO-TRUSTEE	VARIES	0	0	0

Cotswold Foundation
F. Y. E. 12-31-2012

Attachment to Form 990-PF, Part XV, Charitable Gifts Paid

All Grants and Contributions are made to These Organizations for their Religious or Charitable Uses.

	2012 GRANTS
Academy of Natural Sciences 1900 Benjamin Franklin Parkway Philadelphia, PA 19103	310,000 00
Annunciation House 1003 E San Antonio El Paso, TX 79901	20,000 00
Audubon Pennsylvania 1201 Pawlings Road Audubon, PA 19403	1,000 00
The Barnes Foundation 230 N 21 Street Philadelphia, PA 19103	10,000.00
Bob Marshall Foundation P O. Box 903 Whitefish, MT 59937	10,000.00
Central American Resource Center 1245 Alabama Street San Francisco, CA 94110	5,000.00
College of the Atlantic 105 Eden Street Bar Harbor, ME 04609	5,000.00
Corielle Institute 403 Haddon Ave Camden, NJ 08103	50,000.00

Duke University Medical Center 711 Iredell Durham, NC 27708	50,000.00
Duke University Library 711 Iredell Durham, NC 27708	10,000 00
Episcopal Academy 376 N. Latches Lane Merion, PA 19066	101,785 00
Five Valleys Land Trust PO Box 8953 Missoula, MT 59807	30,000.00
French & Pickering Creek Trust 511 Kimberton Road Phoenixville. PA 19460	1,000 00
Garden City Harvest 103 Hickory Street Missoula, MT 59801	4,000.00
Group for Advancement of Psychiatry PO Box 570218 Dallas, TX 75357	50,000 00
Institute for Transportation and Development Policy 9 East 19th Street New York, NY 10003	5,000.00
Jackson Hole Center for Global Affairs 125 S King St Jackson, WY 83001	1,000.00
Lankanau Institute for Medical Research 100 E Lancaster Ave Wynnewood, PA 19096	50,000.00
Lankanau Medical Center 100 E. Lancaster Ave Wynnewood, PA 19096	200,000.00

Library Company of Philadelphia 1314 Locust St. Philadelphia, PA 19107	30,000.00
Library of Congress/Madison Council 101 Independence Ave Washington, DC 20540	25,000.00
Lower Merion Library Foundation 75 E Lancaster Ave Ardmore, PA 19003	6,250 00
Mount Desert Island Biological Laboratory PO Box 35, Old Bar Harbor Road Salisbury Cove, ME 04672	400,000 00
Missoula Butterfly House and Insectarium P O. Box 8885 Missoula, MT 59807	10,000 00
Missoula Food Bank 219 South 3rd Street West Missoula, MT 59801	4,000.00
Montana Public Radio 32 Campus Drive Missoula, MT 59812	2,000.00
Order of St John - St. John of Jerusalem Eye Hospital 1875 K Street, NW Washington, DC 20006	1,000 00
Pangea PO Box 496 Mercer Island, WA 98040	250
Philadelphia Museum of Art 26th & Benjamin Franklin Pky Philadelphia, PA 19130	182,500.00
Philadelphia Scholars Seven Benjamin Franklin Parkway Philadelphia, PA 10103	1,000.00

Resources First Foundation 189 Main Street Yarmouth, ME 04096	10,000.00
Royal Oak Foundation 26 Broadway New York, NY 10004	15,000.00
Saint Mark's School 26 Marlborough Road Southborough, MA 01772	40,000 00
Wistar Institute 3601 Spruce St. Philadelphia, PA 19104	60,000 00
World Affairs Council One South Broad Street Philadelphia, PA 19107	1,000.00

Total Grants Paid in 2012	1,701,785.00 ==========