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 HAL AND KATHLEEN GERSHMAN FOUNDATION

A Employer identification number 26-1584651

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
PO BOX 13662

B Telephone number 701-780-0902

City or town, state, and ZIP code
GRAND FORKS, ND 58208

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)* ▶$ 1,177,518.

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))

		(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	253,829.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	11,107.	11,107.		STATEMENT 2
	4 Dividends and interest from securities	15,472.	15,472.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	10,426.			STATEMENT 1
	b Gross sales price for all assets on line 6a 247,804.				
	7 Capital gain net income (from Part IV, line 2)		15,460.		
	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)				
	11 Other income				
	12 Total Add lines 1 through 11	290,834.	42,039.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	439.	0.		439.
	b Accounting fees STMT 5	2,060.	0.		2,060.
	c Other professional fees STMT 6	2,494.	1,995.		499.
	17 Interest				
	18 Taxes STMT 7	488.	21.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	5,481.	2,016.		2,998.
	25 Contributions, gifts, grants paid	44,757.			44,757.
	26 **Total expenses and disbursements** Add lines 24 and 25	50,238.	2,016.		47,755.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	240,596.			
	b **Net investment income** (if negative, enter -0-)		40,023.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (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	31,796.	17,156.	17,156.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 8	135,963.	135,963.	145,200.
	b Investments - corporate stock STMT 9	511,451.	762,579.	793,367.
	c Investments - corporate bonds STMT 10	77,345.	77,345.	86,581.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans STMT 11	104,838.	76,289.	80,841.
	13 Investments - other STMT 12	21,548.	53,870.	54,016.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 13)	22.	357.	357.
	16 **Total assets** (to be completed by all filers)	882,963.	1,123,559.	1,177,518.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	882,963.	1,123,559.	
	30 **Total net assets or fund balances**	882,963.	1,123,559.	
	31 **Total liabilities and net assets/fund balances**	882,963.	1,123,559.	

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	882,963.
2	Enter amount from Part I, line 27a	2	240,596.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,123,559.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,123,559.

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	ALERUS-DETAIL ATTACHED	P		
b	ALERUS-DETAIL ATTACHED	P		
c	CAPITAL GAINS DIVIDENDS			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	125,478.		119,442.	6,036.
b	121,205.		112,902.	8,303.
c	1,121.			1,121.
d				
e				

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

	(i) F.M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				6,036.
b				8,303.
c				1,121.
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 — 15,460.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	40,775.	775,768.	.052561
2010	28,518.	538,649.	.052944
2009	23,250.	205,603.	.113082
2008	7,832.	231,830.	.033783
2007	0.	123,415.	.000000

2	**Total** of line 1, column (d)	2	.252370
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	.050474
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	999,651.
5	Multiply line 4 by line 3	5	50,456.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	400.
7	Add lines 5 and 6	7	50,856.
8	Enter qualifying distributions from Part XII, line 4	8	47,755.

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)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	800.
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	800.
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	800.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	0.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	11.
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	811.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	Refunded ▶	11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for 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. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	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
4a 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? N/A	4b		
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	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ ND			
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 FOUNDATION Telephone no. ▶ 701-780-0902

Located at ▶ PO BOX 13662, GRAND FORKS, ND ZIP+4 ▶ 58208

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

			Yes	No
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)? N/A	1b		
	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 ▶ ____, ____, ____, ____			
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) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b |

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
HAROLD GERSHMAN PO BOX 13662 GRAND FORKS, ND 58208	PRESIDENT 1.00	0.	0.	0.
KATHY GERSHMAN PO BOX 13662 GRAND FORKS, ND 58208	SECRETARY 1.00	0.	0.	0.
LEONORA GERSHMAN 3333 MADERA AVE LOS ANGELES, CA 90039	TREASURER 1.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. 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 ▶ 0

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

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.

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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	984,376.
b	Average of monthly cash balances	1b	30,498.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,014,874.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,014,874.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	15,223.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	999,651.
6	**Minimum investment return.** Enter 5% of line 5	6	49,983.

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	49,983.
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 800.		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	800.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	49,183.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	49,183.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	49,183.

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	47,755.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	47,755.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	47,755.

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				49,183.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009 9,488.				
d From 2010 2,192.				
e From 2011 2,921.				
f **Total** of lines 3a through e	14,601.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 47,755.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				47,755.
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).)	1,428.			1,428.
6 **Enter the net total of each column as indicated below.**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	13,173.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2013** Subtract lines 7 and 8 from line 6a	13,173.			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009 8,060.				
c Excess from 2010 2,192.				
d Excess from 2011 2,921.				
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	Prior 3 years			
	(a) 2012	(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					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 14

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

NONE

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

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

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

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				
ALTRU HEALTH FOUNDATION PO BOX 6002 GRAND FORKS, ND 58206-6002	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	500.
CHATHAM ORPHEUM THEATER PO BOX 17 CHATHAM, MA 02633	NONE	PUBLIC CHARITY	FUND RAISING TOWARDS THE PURCHASE OF A BUILDING	1,000.
EMPIRE ARTS CENTER 415 DEMERS AVE GRAND FORKS, ND 58102	NONE	PUBLIC CHARITY	SIGN RESTORATION	6,807.
EMPIRE ARTS CENTER 415 DEMERS AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	250.
GRAND FORKS MASTER CHORALE PO BOX 12272 GRAND FORKS, ND 58208-2272	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	250.
Total SEE CONTINUATION SHEET(S)			▶ 3a	44,757.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

THE HAL AND KATHLEEN GERSHMAN FOUNDATION 26-1584651

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
GRAND FORKS PARK DISTRICT 1210 7TH AVE S GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	RIVERSIDE POOL	2,000.
GRAND FORKS PARKS & RECREATION FND PO BOX 12429 GRAND FORKS, ND 58208-2429	NONE	PUBLIC CHARITY	FURTHERACE OF 501(C)(3)'S CHARITABLE PURPOSE	1,000.
GRAND FORKS PUBLIC SCHOOLS FOUNDATION FOR EDUCATION PO BOX 5475 GRAND FORKS, ND 58206	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	500.
GRAND FORKS PUBLIC SCHOOLS-WILDER SCHOOL 1009 N 3RD ST GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	PLAY GROUND EQUIPMENT	10,000.
GREATER GRAND FORKS SYMPHONY ORCHESTRA 415 DEMERS AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	1,000.
LISTEN CENTER 1407 24TH AVE S GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARTIABLE PURPOSES	500.
MAYO CLINIC 200 FIRST STREET SW ROCHESTER, MN 55905-0001	NONE	PUBLIC CHARITY	PROGRAMS & FACILITIES IN MEDICAL CARE, RESEARCH, EDUCATION	7,500.
NORTH DAKOTA BALLET COMPANY 1726 SOUTH WASHINGTON ST GRAND FORKS, ND 58206	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	500.
NORTH DAKOTA MUSEUM OF ART 261 CENTENNIAL DRIVE GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	500.
PRAIRIE PUBLIC BROADCASTING 207 N 5TH ST FARGO, ND 58102	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	500.
Total from continuation sheets				35,950.

THE HAL AND KATHLEEN GERSHMAN FOUNDATION 26-1584651

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SALVATION ARMY 1600 UNIVERSITY AVE GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSE	500.
THIRD STREET CLINIC 311 S 4TH STREET GRAND FORKS, ND 58201	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
UNITED STATES HOLOCAUST MEMORIAL MUSEUM 100 RAUL WALLENBERG PI SW WASHINGTON , DC 520024	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	500.
UNITED WAY OF GRAND FORKS, EAST GRAND FORKS & AREA PO BOX 12204 GRAND FORKS, ND 58208-2204	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	5,000.
UNIVERSITY OF NORTH DAKOTA ALUMNI ASSOCIATION 3501 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	EDUCATIONAL MUSIC-ORCHESTRA	950.
UNIVERSITY OF NORTH DAKOTA FOUNDATION 3100 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	FURTHERANCE OF 501(C)(3)'S CHARITABLE PURPOSES	1,000.
UNIVERSITY OF NORTH DAKOTA FOUNDATION 3100 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	EDUCATIONAL MUSIC AND MARKETING	2,500.
UNIVERSITY OF NORTH DAKOTA FOUNDATION 3100 UNIVERSITY AVE, STOP 8157 GRAND FORKS, ND 58202-8157	NONE	PUBLIC CHARITY	EDUCATIONAL MUSIC	500.
Total from continuation sheets				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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	11,107.	
4 Dividends and interest from securities			14	15,472.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	10,426.	
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.		37,005.	0.
13 Total Add line 12, columns (b), (d), and (e)				13	37,005.

(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).

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
		N/A	

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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: 4/23/13 Title: DIRECTOR, PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
SCOTT STINAR	Scott Stinar, CPA	4/23/13		P00028625

Firm's name ▶ BRADY, MARTZ AND ASSOCIATES, P.C. Firm's EIN ▶ 45-0310328

Firm's address ▶ P.O. BOX 14296 GRAND FORKS, ND 58208-4296 Phone no. 701-775-4685

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	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

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	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

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	HAROLD AND KATHLEEN GERSHMAN 517 REEVES DRIVE GRAND FORKS, ND 58201	$ 253,829.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

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
		$	

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

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

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

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

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

Name of organization	Employer identification number
THE HAL AND KATHLEEN GERSHMAN FOUNDATION	26-1584651

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

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(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

THE HAL AND KATHLEEN GERSHMAN FOUNDATION
26-1584651

Description	Sold	Acquired	Proceeds	Cost	Gain/Loss	Covered
** SHORT TERM CAPITAL GAIN (LOSS)						
184 58 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	1/18/2012	10/19/2011	184 58	194.21	(9 63)	
147 87 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	1/18/2012	12/13/2011	147 87	151 71	(3.84)	
60 SHARES OF SPDR TR UNIT SER 1	1/13/2012	9/29/2011	7,691 76	6,979 16	712 60	Covered
20 SHARES OF NEXTERA ENERGY INC	1/13/2012	7/6/2011	1,176 46	1,155 79	20 67	Covered
35 SHARES OF NEXTERA ENERGY INC	1/13/2012	12/9/2011	2,058 81	2,013 90	44 91	Covered
20.879 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	8/17/2011	187.91	190 00	(2.09)	
45 SHARES OF GILEAD SCI INC	1/23/2012	9/27/2011	2,121 60	1,811 42	310.18	Covered
75 SHARES OF GILEAD SCI INC	1/23/2012	12/9/2011	3,536 01	2,933 25	602 76	Covered
30 SHARES OF SPDR TR UNIT SER 1	1/23/2012	9/29/2011	3,948 01	3,489 58	458 43	Covered
148 72 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	1/26/2012	10/20/2011	148.72	159.48	(10.76)	
50 SHARES OF PEABODY ENERGY CORP	1/24/2012	12/9/2011	1,824 68	1,846 50	(21 82)	Covered
40 SHARES OF NOBLE CORPORATION COM	1/24/2012	8/17/2011	1,379.55	1,276.00	103 55	Covered
25 SHARES OF BARD C R INC COM	1/25/2012	12/9/2011	2,339 14	2,144 75	194.39	Covered
25 SHARES OF AFLAC INC	1/30/2012	7/6/2011	1,197 23	1,162 48	34 75	Covered
45 SHARES OF AFLAC INC	1/30/2012	12/9/2011	2,155 02	1,971 00	184 02	Covered
65 SHARES OF JUNIPER NETWORKS INC	1/31/2012	6/2/2011	1,362 85	2,183 77	(820 92)	Covered
160 SHARES OF SELECT SECTOR SPDR TR HEALTH CARE	2/3/2012	1/23/2012	5,771 41	5,716.80	54 61	Covered
28 088 SHARES OF DIMENSIONAL EMERGING MARKETS VALUE	2/15/2012	8/17/2011	871 57	880 00	(8 43)	
153 53 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	2/16/2012	10/19/2011	153 53	161.54	(8 01)	
193 02 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	2/16/2012	12/13/2011	193 02	198 03	(5 01)	
50 SHARES OF VANGUARD MID CAP GROWTH ETF	2/22/2012	8/19/2011	3,371 98	2,788.24	583.74	Covered
132.67 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	2/28/2012	10/20/2011	132 67	142 27	(9.60)	
139 89 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	3/16/2012	10/19/2011	139 89	147 19	(7 30)	
266 03 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	3/16/2012	12/13/2011	266 03	272 93	(6 90)	
115 43 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	3/27/2012	10/20/2011	115 43	123 78	(8 35)	
147 SHARES OF SPDR TR UNIT SER 1	4/12/2012	2/22/2012	20,316 86	20,009 17	307 69	Covered
241 38 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	4/17/2012	10/19/2011	241 38	253 98	(12.60)	
320 22 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	4/17/2012	12/13/2011	320 22	328.53	(8 31)	
133 96 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	4/26/2012	10/20/2011	133.96	143 65	(9 69)	
105 SHARES OF PRINCIPAL FINANCIAL GROUP	5/2/2012	12/9/2011	2,867 99	2,591 35	276 64	Covered
118 51 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	5/16/2012	10/19/2011	118.51	124 69	(6 18)	
226 24 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	5/16/2012	12/13/2011	226 24	232 11	(5 87)	
126 02 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	5/29/2012	10/20/2011	126 02	135 14	(9 12)	
100 SHARES OF MARKET VECTORS	5/24/2012	2/21/2012	4,095 47	3,977 43	118.04	Covered
98 67 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	6/18/2012	10/19/2011	98 67	103 82	(5.15)	
217 49 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	6/18/2012	12/13/2011	217 49	223 13	(5.64)	
35 SHARES OF SELECT SECTOR SPDR TR UTILITIES	6/15/2012	1/13/2012	1,291 82	1,216 80	75 02	Covered
203 33 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	6/26/2012	10/20/2011	203 33	218 04	(14 71)	
20 SHARES OF BERKSHIRE HATHAWAY "B"	6/22/2012	1/30/2012	1,638 16	1,570 58	67 58	Covered
45 SHARES OF EXXON MOBIL CORP COM	6/22/2012	12/5/2011	3,720 96	3,002 40	718.56	Covered
85 SHARES OF GENERAL MILLS INC	6/28/2012	12/5/2011	3,192 70	2,056 15	1,136 55	Covered
35 SHARES OF THE MOSAIC COMPANY	7/3/2012	12/9/2011	1,954 20	1,766 80	187 40	Covered
45 SHARES OF VANGUARD LONG TERM GOV BOND ETF	7/10/2012	12/21/2011	3,555 39	3,344 85	210 54	Covered
50 SHARES OF VANGUARD LONG TERM GOV BOND ETF	7/10/2012	12/21/2011	3,950.43	3,716 50	233 93	Covered
25 SHARES OF VANGUARD LONG TERM GOV BOND ETF	7/10/2012	2/16/2012	1,975 21	1,831 25	143 96	Covered
264 55 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	7/17/2012	10/19/2011	264 55	278 36	(13 81)	
225 91 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	7/17/2012	12/13/2011	225 91	231 77	(5 86)	
35 SHARES OF GENERAL DYNAMICS	7/19/2012	12/9/2011	2,305 28	2,282 00	23 28	Covered
173 21 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	7/26/2012	10/20/2011	173 21	185 74	(12 53)	
40 SHARES OF BAXTER INTERNATIONAL INC	8/1/2012	12/9/2011	2,351 93	2,022 00	329 93	Covered
96 91 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	8/16/2012	10/19/2011	96 91	101 97	(5 06)	
510 71 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	8/16/2012	12/13/2011	510 71	523 96	(13 25)	
138 33 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	8/28/2012	10/20/2011	138 33	148 34	(10 01)	
158 21 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	9/18/2012	10/19/2011	158 21	166 47	(8 26)	
756 22 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	9/18/2012	12/13/2011	756 22	775 83	(19 61)	
121.3 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	9/26/2012	10/20/2011	121.30	130 08	(8 78)	
55 SHARES OF EXPEDITORS INTERNATL OF WASH INC	10/8/2012	12/9/2011	1,934 87	2,305 05	(370 18)	Covered
170 46 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	10/16/2012	10/19/2011	170.46	179 36	(8 90)	
608 43 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	10/16/2012	12/13/2011	608.43	624 21	(15 78)	
30 SHARES OF KRAFT FOODS GROUP INC	10/23/2012	6/28/2012	1,384 24	1,176.59	207 65	Covered
988 159 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/9/2012	1/18/2012	10,494 25	10,533 78	(39 53)	Covered
370 188 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/9/2012	1/25/2012	3,931 40	3,946 20	(14 80)	Covered
92 862 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/9/2012	2/16/2012	986 19	988 05	(1 86)	Covered
90 SHARES OF SELECT SECTOR SPDR TR INDL	11/8/2012	10/8/2012	3,277 75	3,338 87	(61 12)	Covered
45 SHARES OF COMCAST CORP NEW CL A	11/13/2012	5/24/2012	1,635 21	1,313 30	321 91	Covered
775 32 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3 5% 10/01/2041	11/16/2012	12/13/2011	775 32	795 43	(20 11)	
5 SHARES OF JOHNSON CONTROLS INC	11/14/2012	12/9/2011	125.30	160 25	(34 95)	Covered
5 SHARES OF ACCENTURE PLC	11/16/2012	12/9/2011	330 84	294 20	36 64	Covered
** TOTAL SHORT TERM CAPITAL GAIN (LOSS)			125,477 56	119,441 96	6,035 60	

** LONG TERM CAPITAL GAIN (LOSS)

350.19 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	1/18/2012	12/16/2010	350.19	353 80	(3.61)	
20 SHARES OF NEXTERA ENERGY INC	1/13/2012	12/16/2009	1,176.46	1,104 86	71 60	
129 43 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	1/13/2010	1,164.87	1,185 58	(20 71)	
397 687 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	1/14/2010	3,579.18	3,642 81	(63 63)	
213.05 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	1/14/2010	1,917 45	1,951 54	(34.09)	
208 105 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	4/20/2010	1,872 94	1,900 00	(27 06)	
205 184 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	1/18/2012	12/8/2010	1,846 66	1,900 00	(53 34)	
100 32 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	1/23/2012	8/12/2008	100 32	100.45	(0 13)	
27.15 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	1/26/2012	5/6/2008	27 15	26 68	0 47	
1051.58 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4.5% 09/25/2032	1/26/2012	1/5/2010	1,051 58	1,083.13	(31.55)	
25 SHARES OF PEABODY ENERGY CORP	1/24/2012	12/8/2010	912.34	1,519 25	(606.91)	Non Covered
15 SHARES OF NOBLE CORPORATION COM	1/24/2012	4/3/2008	517 33	775 94	(258.61)	
10 SHARES OF BARD C R INC COM	1/25/2012	12/8/2010	935 65	859 50	76.15	Non Covered
25 SHARES OF AFLAC INC	1/30/2012	7/10/2009	1,197 23	721 96	475 27	
15 SHARES OF AFLAC INC	1/30/2012	12/16/2009	718.34	714.27	4 07	
30 SHARES OF AFLAC INC	1/30/2012	12/8/2010	1,436.68	1,646 70	(210 02)	Non Covered
151 195 SHARES OF DIMENSIONAL EMERGING MARKETS VALUE	2/15/2012	4/20/2010	4,691.58	5,000.00	(308 42)	
19 178 SHARES OF DIMENSIONAL EMERGING MARKETS VALUE	2/15/2012	12/8/2010	595.09	700 00	(104 91)	
452 58 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	2/16/2012	12/16/2010	452.58	457 25	(4 67)	
208 068 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	2/16/2012	4/20/2010	4,269 55	4,073 97	195 58	
90 909 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	2/16/2012	12/8/2010	1,865 45	1,900 00	(34 55)	
79 15 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	2/22/2012	8/12/2008	79 15	79.25	(0.10)	
70 SHARES OF KOHLS CORPORATION	2/21/2012	12/8/2010	3,645 81	3,798 28	(152.47)	Non Covered
5 SHARES OF KOHLS CORPORATION	2/21/2012	12/8/2010	260.42	271.67	(11 25)	Non Covered
50 SHARES OF VANGUARD MID CAP GROWTH ETF	2/22/2012	12/16/2009	3,371.98	2,399.65	972 33	
40 SHARES OF VANGUARD MID CAP GROWTH ETF	2/22/2012	4/21/2010	2,697 59	2,195.00	502 59	
155 SHARES OF VANGUARD MID CAP GROWTH ETF	2/22/2012	12/6/2010	10,453 15	9,500 72	952 43	
753 46 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	2/28/2012	5/6/2008	753.46	740 51	12 95	
741 22 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	2/28/2012	1/5/2010	741 22	763 46	(22.24)	
110 SHARES OF VANGUARD MID CAP VALUE ETF	3/13/2012	12/16/2009	6,307.87	4,931 18	1,376.69	
105 SHARES OF VANGUARD MID CAP VALUE ETF	3/13/2012	4/19/2010	6,021 15	5,258.19	762.96	
65 SHARES OF VANGUARD MID CAP VALUE ETF	3/13/2012	12/6/2010	3,727 38	3,405 68	321.70	
364 34 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4.5% 09/01/2040	3/16/2012	12/16/2010	364 34	368 10	(3 76)	
89 13 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	3/21/2012	8/12/2008	89 13	89.24	(0 11)	
22 4 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	3/27/2012	5/6/2008	22 40	22 01	0.39	
683 75 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	3/27/2012	1/5/2010	683 75	704 26	(20.51)	
540 22 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4.5% 09/01/2040	4/17/2012	12/16/2010	540.22	545 79	(5 57)	
243 59 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	4/23/2012	8/12/2008	243 59	243.89	(0 30)	
530 96 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	4/26/2012	5/6/2008	530 96	521 83	9.13	
712 59 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	4/26/2012	1/5/2010	712.59	733.97	(21.38)	
25 SHARES OF PRINCIPAL FINANCIAL GROUP	5/2/2012	12/10/2009	682 85	584 87	97 98	
35 SHARES OF PRINCIPAL FINANCIAL GROUP	5/2/2012	12/8/2010	956 00	1,086 40	(130 40)	Non Covered
226.75 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	5/16/2012	12/16/2010	226 75	229 09	(2.34)	
55 SHARES OF AMERICAN EXPRESS COMPANY	5/15/2012	4/19/2010	3,210.57	2,489 82	720 75	
25 SHARES OF WELLS FARGO & COMPANY	5/16/2012	12/16/2009	808.05	647 67	160.38	
50 SHARES OF WELLS FARGO & COMPANY	5/16/2012	12/8/2010	1,616 09	1,470 50	145.59	Non Covered
116 95 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	5/22/2012	8/12/2008	116 95	117 10	(0 15)	
45 SHARES OF GENERAL ELECTRIC COMPANY	5/22/2012	6/17/2010	859 23	713 87	145.36	
50 SHARES OF GENERAL ELECTRIC COMPANY	5/22/2012	12/8/2010	954.69	855 45	99 24	Non Covered
18 94 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	5/29/2012	5/6/2008	18.94	18 61	0 33	
549 78 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	5/29/2012	1/5/2010	549.78	566 27	(16.49)	
20 39 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	6/14/2012	11/13/2009	405.76	388 02	17 74	
88 153 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	6/14/2012	4/20/2010	1,754 24	1,726 03	28 21	
121 753 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	6/14/2012	4/3/2008	750 00	2,224 43	(1,474 43)	
252 96 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	6/18/2012	12/16/2010	252 96	255 57	(2 61)	
47 64 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	6/21/2012	8/12/2008	47 64	47 70	(0 06)	
1170 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	6/26/2012	5/6/2008	1,170 00	1,149 89	20 11	
426 94 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	6/26/2012	1/5/2010	426 94	439 75	(12 81)	
15 SHARES OF VERIZON COMMUNICATIONS	6/22/2012	4/3/2008	654 89	544 90	109 99	
25 SHARES OF VERIZON COMMUNICATIONS	6/22/2012	12/8/2010	1,091 49	826 75	264.74	Non Covered
15 SHARES OF PRAXAIR INC	6/22/2012	12/6/2010	1,577.21	562 50	1,014 71	
10 SHARES OF APPLE COMPUTER INC	6/22/2012	12/6/2010	5,797.36	1,472 20	4,325 16	
25 SHARES OF THE MOSAIC COMPANY	7/3/2012	6/16/2011	1,395 86	1,576 18	(180 32)	Covered
461 21 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	7/17/2012	12/16/2010	461.21	465 97	(4 76)	
93 83 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	7/23/2012	8/12/2008	93 83	93 95	(0 12)	
20 SHARES OF GENERAL DYNAMICS	7/19/2012	7/8/2010	1,317.31	1,215 84	101 47	
175.26 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	7/26/2012	5/6/2008	175.26	172 25	3 01	
381 7 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	7/26/2012	1/5/2010	381.70	393 15	(11 45)	
20 SHARES OF BAXTER INTERNATIONAL INC	8/1/2012	7/6/2011	1,175.96	1,212 60	(36 64)	Covered
603 8 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	8/16/2012	12/16/2010	603 80	610 03	(6 23)	
149 55 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	8/21/2012	8/12/2008	149 55	149.74	(0 19)	
515 67 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	8/28/2012	1/5/2010	515 67	531 14	(15 47)	
301 72 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	8/28/2012	5/6/2008	301 72	296 53	5 19	
883 98 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	9/18/2012	12/16/2010	883 98	893 10	(9 12)	
143 31 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	9/21/2012	8/12/2008	143.31	143 49	(0 18)	
599 12 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	9/26/2012	5/6/2008	599 12	588 82	10.30	
469 85 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	9/26/2012	1/5/2010	469 85	483 94	(14 09)	
5 SHARES OF EXPEDITORS INTERNATL OF WASH INC	10/8/2012	12/16/2009	175 90	175 89	0 01	

35 SHARES OF EXPEDITORS INTERNATL OF WASH INC	10/8/2012	12/8/2010	1,231.28	1,987.30	(756.02)	Non Covered
723 88 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	10/16/2012	12/16/2010	723.88	731.34	(7.46)	
164.44 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	10/23/2012	8/12/2008	164 44	164 64	(0.20)	
125.08 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	10/26/2012	10/20/2011	125 08	134.13	(9.05)	
485 86 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4.5% 09/25/2032	10/26/2012	1/5/2010	485 86	500 44	(14.58)	
15.44 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	10/26/2012	5/6/2008	15 44	15 17	0 27	
25 SHARES OF MICROSOFT CORPORATION	10/24/2012	12/9/2009	700.36	263 00	437.36	
30 SHARES OF MICROSOFT CORPORATION	10/24/2012	7/6/2011	840 43	789 22	51.21	Covered
106.36 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	11/16/2012	10/19/2011	106.36	111 91	(5.55)	
285.98 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	11/16/2012	12/16/2010	285 98	288.93	(2.95)	
45 SHARES OF JOHNSON CONTROLS INC	11/14/2012	6/9/2011	1,127 72	1,651.58	(523.86)	Covered
30 SHARES OF JOHNSON CONTROLS INC	11/14/2012	7/6/2011	751 81	1,260.00	(508.19)	Covered
11 SHARES OF VISA INC	11/14/2012	11/10/2011	1,538.32	1,024 65	513.67	Covered
20 SHARES OF ACCENTURE PLC	11/16/2012	8/22/2011	1,323 34	977.80	345.54	Covered
129 61 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	11/21/2012	8/12/2008	129 61	129 77	(0 16)	
252 8 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	11/27/2012	10/20/2011	252.80	271 09	(18 29)	
368 49 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	11/27/2012	5/6/2008	368.49	362 16	6 33	
458.51 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	11/27/2012	1/5/2010	458 51	472 26	(13.75)	
85 SHARES OF JOHNSON CONTROLS INC	12/13/2012	12/9/2011	2,405 97	2,724.25	(318.28)	Covered
96.11 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	12/18/2012	10/19/2011	96 11	101.13	(5.02)	
729 79 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G06784 (14 DAY DELAY) 3.5% 10/01/2041	12/18/2012	12/13/2011	729 79	748.72	(18.93)	
398.65 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #A93936 (14 DAY DELAY) 4 5% 09/01/2040	12/18/2012	12/16/2010	398 65	402.76	(4 11)	
1642.71 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	12/4/2012	8/12/2008	1,727 92	1,644.75	83 17	
87.19 UNITS OF GOVERNMENT NATL MORTGAGE ASSN 19 DAY DELAY 6% 08/20/2038	12/21/2012	8/12/2008	87 19	87.30	(0.11)	
48 68 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4 5% 12/01/2018	12/27/2012	10/20/2011	48.68	52 20	(3.52)	
14 98 UNITS OF FEDERAL NATIONAL MORTGAGE ASSN (24 DAY DELAY) 5% 04/01/2035	12/27/2012	5/6/2008	14 98	14 72	0.26	
369 06 UNITS OF FEDERAL NATL MORTGAGE ASSN (24 DAY DELAY) 4 5% 09/25/2032	12/27/2012	1/5/2010	369 06	380.13	(11 07)	
** TOTAL LONG TERM CAPITAL GAIN (LOSS)			121,205 26	112,901.73	8,303.53	

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
ALERUS-DETAIL ATTACHED	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
125,478.	121,426.	0.	0.	4,052.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
ALERUS-DETAIL ATTACHED	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
121,205.	115,952.	0.	0.	5,253.

CAPITAL GAINS DIVIDENDS FROM PART IV	1,121.
TOTAL TO FORM 990-PF, PART I, LINE 6A	10,426.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
ALERUS FINANCIAL	7,751.
U.S. TREASURY	3,356.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	11,107.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ALERUS FINANCIAL	16,593.	1,121.	15,472.
TOTAL TO FM 990-PF, PART I, LN 4	16,593.	1,121.	15,472.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	439.	0.		439.
TO FM 990-PF, PG 1, LN 16A	439.	0.		439.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	2,060.	0.		2,060.
TO FORM 990-PF, PG 1, LN 16B	2,060.	0.		2,060.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUSTEE FEES	2,494.	1,995.		499.
TO FORM 990-PF, PG 1, LN 16C	2,494.	1,995.		499.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	21.	21.		0.
FOUNDATION EXCISE TAX	467.	0.		0.
TO FORM 990-PF, PG 1, LN 18	488.	21.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - US FEDERAL SECURITIES	X		25,018.	26,507.
ALERUS FINANCIAL - US TREASURY NOTE	X		110,945.	118,693.
TOTAL U.S. GOVERNMENT OBLIGATIONS			135,963.	145,200.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			135,963.	145,200.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - EQUITIES	762,579.	793,367.
TOTAL TO FORM 990-PF, PART II, LINE 10B	762,579.	793,367.

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FORM 990-PF	CORPORATE BONDS	STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL - CORPORATE BONDS	77,345.	86,581.
TOTAL TO FORM 990-PF, PART II, LINE 10C	77,345.	86,581.

FORM 990-PF	MORTGAGE LOANS	STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL-MORTGAGE BACKED BONDS	76,289.	80,841.
TOTAL TO FORM 990-PF, PART II, LINE 12	76,289.	80,841.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ALERUS FINANCIAL-MUTUAL FUND BONDS	COST	53,870.	54,016.
TOTAL TO FORM 990-PF, PART II, LINE 13		53,870.	54,016.

FORM 990-PF	OTHER ASSETS	STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INTEREST & DIVIDENDS RECEIVABLE	22.	357.	357.
TO FORM 990-PF, PART II, LINE 15	22.	357.	357.

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT 14

NAME OF MANAGER

HAROLD GERSHMAN
KATHY GERSHMAN