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

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

**For calendar year 2012 or tax year beginning****, 2012, and ending****, 20**

Name of foundation <b>Charlson Foundation</b>		A Employer identification number <b>41-1313302</b>
Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) <b>952-938-6968</b>
City or town, state, and ZIP code <b>Edina, MN 55439</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 10,538,339</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	149	149		
	4 Dividends and interest from securities	207,265	207,265		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	118,064			
	b Gross sales price for all assets on line 6a <b>4290,737</b>				
	7 Capital gain net income (from Part IV, line 2)		118,064		
	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) <b>FUTURE K-1</b>	<58,400>	<58,400>			
12 <b>Total.</b> Add lines 1 through 11	267,078	267,078			
<b>Operating and Administrative Expenses</b>	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)				
	c Other professional fees (attach schedule) <b>(INV. STMT 1)</b>	84,197	84,197		0
	17 Interest	2	2		0
	18 Taxes (attach schedule) (see instructions) <b>(STMT 1)</b>	<1,976>	4,406		0
	19 Depreciation (attach schedule) and depletion <b>(STMT 2)</b>	0	0		
	20 Occupancy	15,014	1,502		13,512
	21 Travel, conferences, and meetings	287	0		287
	22 Printing and publications				
	23 Other expenses (attach schedule) <b>(STMT 1)</b>	3,123	307		2,816
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	100,647	90,414		16,615
	25 Contributions, gifts, grants paid	639,218			639,218
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	739,865	90,414		655,833	
27 Subtract line 26 from line 12:					
a <b>Excess of revenue over expenses and disbursements</b>	<472,787>				
b <b>Net investment income</b> (if negative, enter -0-)		176,664			
c <b>Adjusted net income</b> (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. (See instructions.)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing . . . . .				
	2	Savings and temporary cash investments . . . . .		12,311	46,143	46,143
	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 . . . . . (STMT 4)				
	10a	Investments—U.S. and state government obligations (attach schedule) . . . . .		2,112,394	2,076,163	1,825,556
	b	Investments—corporate stock (attach schedule) (STMT 4) . . . . .		8,067,537	7,797,569	8,665,816
	c	Investments—corporate bonds (attach schedule) . . . . .				
	11	Investments—land, buildings, and equipment: basis ▶ . . . . .				
	Less: accumulated depreciation (attach schedule) ▶ . . . . .					
12	Investments—mortgage loans . . . . .					
13	Investments—other (attach schedule) . . . . .					
14	Land, buildings, and equipment: basis ▶ . . . . . 10,342					
	Less: accumulated depreciation (attach schedule) ▶ . . . . . 10,342		-0-	-0-	-0-	
15	Other assets (describe ▶ . . . . . (STMT 2) (RENT DEPOSIT))		824	824	824	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .		10,193,066	9,920,699	10,538,339	
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. ▶ <input type="checkbox"/>					
	24	Unrestricted . . . . .				
	25	Temporarily restricted . . . . .				
	26	Permanently restricted . . . . .				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds . . . . .				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund . . . . .				
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .		10,193,066	9,920,699	
	30	Total net assets or fund balances (see instructions) . . . . .		10,193,066	9,920,699	
	31	Total liabilities and net assets/fund balances (see instructions) . . . . .		10,193,066	9,920,699	

## 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	10,193,066
2	Enter amount from Part I, line 27a . . . . .	2	<472,787>
3	Other increases not included in line 2 (itemize) ▶ FUTURES K-1 LOSSES (TAX BASIS)	3	200,420
4	Add lines 1, 2, and 3 . . . . .	4	9,920,699
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6	9,920,699

**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				
b				
c	SEE STATEMENT 5 DETAIL			
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	118,064
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . .		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No  
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) X11 26 Adjusted qualifying distributions	(c) X25 Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))	
2011	702,637	11,194,604	6.2765686%	
2010	654,689	10,785,430	6.0701130	
2009	662,765	10,388,680	6.3796844	
2008	828,192	12,025,171	6.8871536	
2007	835,590	14,075,957	5.9362926	
2	Total of line 1, column (d)		2	31.5498122
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	6.3099624%
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5		4	10,594,396
5	Multiply line 4 by line 3		5	668,502
6	Enter 1% of net investment income (1% of Part I, line 27b)		6	1,767
7	Add lines 5 and 6		7	670,269
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.		8	655,833

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	3,533	
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	-0-	
<b>3</b>	Add lines 1 and 2	<b>3</b>	3,533	
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	-0-	
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	3,533	
<b>6</b>	<b>Credits/Payments:</b>			
<b>a</b>	2012 estimated tax payments and 2011 overpayment credited to 2012	<b>6a</b>	10,000	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>		
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>		
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>		
<b>7</b>	<b>Total credits and payments.</b> Add lines 6a through 6d	<b>7</b>	10,000	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>		
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	-0-	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	6,467	
<b>11</b>	Enter the amount of line 10 to be: <b>Credited to 2013 estimated tax</b> 6,467 <b>Refunded</b>	<b>11</b>	-0-	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		✓
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		✓
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		✓
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
<b>6</b> 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?	✓	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Minnesota		
<b>b</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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		✓
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶ <u>www.charlsonfoundation.org</u>				
14	The books are in care of ▶ <u>Leslie Stiles</u>	Telephone no. ▶	<u>952-938-6968</u>	
	Located at ▶ <u>5275 Edina Industrial Blvd., Edina, MN</u>	ZIP+4 ▶	<u>55439-2914</u>	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. . . . . ▶ <input type="checkbox"/>	and enter the amount of tax-exempt interest received or accrued during the year . . . . . ▶ <u>15</u>		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . .	16	Yes	No
	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? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . .	1b	✓
	Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>		
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	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If "Yes," list the years ▶ 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	
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? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.) . . . . .	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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	✓

**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** ☐ Yes ☒ No

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? ☐ 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** ☐ Yes ☒ No

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? **7b** ☐ Yes ☒ No

**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
Karen McElrath 5275 Edina Industrial Blvd, Edina, MN 55439	President (12 hours/year)	-0-	-0-	-0-
Leslie Stiles Same	Secr/Treasurer (10 hours/week)	-0-	-0-	-0-
Kim Herzog Same	Director (12 hours/year)	-0-	-0-	-0-
Mary Rippy Same	Director (12 hours/year)	-0-	-0-	-0-

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

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

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

**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
Morgan Stanley 445 East Lake Street, Suite 320, Wayzata, MN 55391	Investment Consulting	84,197
Total number of others receiving over \$50,000 for professional services . . . . .		84,197

**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		
2		
3		
4		

NOT  
APPLICABLE**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		
2		
3		

All other program-related investments. See instructions.

NONE

Total. Add lines 1 through 3 . . . . . - 0 -

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1a</b>	10,698,942
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	56,790
<b>c</b>	Fair market value of all other assets (see instructions) . . . . .	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	10,755,732
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	10,755,732
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions) . . . . .	<b>4</b>	161,336
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	10,594,396
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	529,720

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	529,720
<b>2a</b>	Tax on investment income for 2012 from Part VI, line 5 . . . . .	<b>2a</b>	3,533
<b>b</b>	Income tax for 2012. (This does not include the tax from Part VI.) . . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2c</b>	3,533
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	526,187
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	526,187
<b>6</b>	Deduction from distributable amount (see instructions) . . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	526,187

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26 . . . . .	<b>1a</b>	655,833
<b>b</b>	Program-related investments—total from Part IX-B . . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	655,833
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . .	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	655,833

**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 . . . . .				526,187
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only . . . . .			- 0 -	
b Total for prior years: 20__20__,20__		- 0 -		
3 Excess distributions carryover, if any, to 2012:				
a From 2007 . . . . .	163,884			
b From 2008 . . . . .	226,933			
c From 2009 . . . . .	143,331			
d From 2010 . . . . .	118,534			
e From 2011 . . . . .	143,407			
f Total of lines 3a through e	796,089			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 655,833				
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 . . . . .				526,187
e Remaining amount distributed out of corpus	129,646			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	- 0 -			- 0 -
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	925,735			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		- 0 -		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .		- 0 -		
d Subtract line 6c from line 6b. Taxable amount—see instructions . . . . .		- 0 -		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions . . . . .			- 0 -	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 . . . . .				- 0 -
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .	- 0 -			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .	163,884			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .	761,851			
10 Analysis of line 9:				
a Excess from 2008 . . . . .	226,933			
b Excess from 2009 . . . . .	143,331			
c Excess from 2010 . . . . .	118,534			
d Excess from 2011 . . . . .	143,407			
e Excess from 2012 . . . . .	129,646			

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

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test—enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test—enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

NOT APPLICABLE

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

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- NONE
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- NONE
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number or e-mail of the person to whom applications should be addressed:
- SEE STATEMENT 6
- b** The form in which applications should be submitted and information and materials they should include:
- SEE STATEMENT 6
- c** Any submission deadlines:
- SEE STATEMENT 6
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
- SEE STATEMENT 6

Part XV **Supplementary Information** (continued)

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

Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
<b>a</b> Paid during the year					
SEE STATEMENT 3					
<b>Total</b> . . . . . ▶ <b>3a</b>					639,218
<b>b</b> Approved for future payment					
SEE STATEMENT 7					
<b>Total</b> . . . . . ▶ <b>3b</b>					318,500

Form 990-PF (2012)

**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) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1</b> Program service revenue:					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> _____					
<b>g</b> Fees and contracts from government agencies					
<b>2</b> Membership dues and assessments . . . . .					
<b>3</b> Interest on savings and temporary cash investments			14	149	
<b>4</b> Dividends and interest from securities . . . . .			14	207,265	
<b>5</b> Net rental income or (loss) from real estate:					
<b>a</b> Debt-financed property . . . . .					
<b>b</b> Not debt-financed property . . . . .					
<b>6</b> Net rental income or (loss) from personal property					
<b>7</b> Other investment income <u>FUTURES K-1</u> . . . . .			14	<58,400>	
<b>8</b> Gain or (loss) from sales of assets other than inventory			18	118,064	
<b>9</b> Net income or (loss) from special events . . . . .					
<b>10</b> Gross profit or (loss) from sales of inventory . . . . .					
<b>11</b> Other revenue: <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>12</b> Subtotal. Add columns (b), (d), and (e) . . . . .				267,078	
<b>13</b> <b>Total.</b> Add line 12, columns (b), (d), and (e) . . . . .				13	267,078

(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.)

NOT  
APPLICABLE

- [illegible]

- | (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|--------------------------|--------------------------|---------------------------------|
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |

<b>Paid Preparer Use Only</b>	Pnnr/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Form **6781**Department of the Treasury  
Internal Revenue Service**Gains and Losses From Section 1256  
Contracts and Straddles**► Information about Form 6781 and its instructions is at [www.irs.gov/form6781](http://www.irs.gov/form6781).  
► Attach to your tax return.

OMB No. 1545-0844

**2012**Attachment  
Sequence No. **82**

Name(s) shown on tax return

Identifying number

Charlson Foundation

41-1313302

Check all applicable boxes (see instructions).

☐ A Mixed straddle election☐ C Mixed straddle account election☐ B Straddle-by-straddle identification election☐ D Net section 1256 contracts loss election**Part I Section 1256 Contracts Marked to Market**

(a) Identification of account	(b) (Loss)	(c) Gain
<b>1</b> Morgan Stanley Futures Accounts (7)	(135,622)	44,491
<b>2</b> Add the amounts on line 1 in columns (b) and (c)	<b>2</b> ( 135,622 )	44,491
<b>3</b> Net gain or (loss). Combine line 2, columns (b) and (c)	<b>3</b>	(91,131)
<b>4</b> Form 1099-B adjustments. See instructions and attach statement	<b>4</b>	
<b>5</b> Combine lines 3 and 4	<b>5</b>	(91,131)
<b>Note:</b> If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.		
<b>6</b> If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number	<b>6</b>	
<b>7</b> Combine lines 5 and 6	<b>7</b>	(91,131)
<b>8</b> Short-term capital gain or (loss). Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions)	<b>8</b>	(36,452)
<b>9</b> Long-term capital gain or (loss). Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions)	<b>9</b>	(54,679)

**Part II Gains and Losses From Straddles.** Attach a separate statement listing each straddle and its components.**Section A—Losses From Straddles**

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Loss. If column (e) is more than (d), enter difference. Otherwise, enter -0-	(g) Unrecognized gain on offsetting positions	(h) Recognized loss. If column (f) is more than (g), enter difference. Otherwise, enter -0-
<b>10</b>							
<b>11a</b> Enter the short-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions)						<b>11a</b> ( )	
<b>b</b> Enter the long-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions)						<b>11b</b> ( )	

**Section B—Gains From Straddles**

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain. If column (c) is more than (e), enter difference. Otherwise, enter -0-
<b>12</b>					
<b>13a</b> Enter the short-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions)					<b>13a</b>
<b>b</b> Enter the long-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions)					<b>13b</b>

**Part III Unrecognized Gains From Positions Held on Last Day of Tax Year.** Memo Entry Only (see instructions)

(a) Description of property	(b) Date acquired	(c) Fair market value on last business day of tax year	(d) Cost or other basis as adjusted	(e) Unrecognized gain. If column (c) is more than (d), enter difference. Otherwise, enter -0-
<b>14</b>				

**Charlson Foundation**

**EIN # 41-1313302**

**Part I - Analysis of Revenue and Expenses**

**Tax Year 2012**

	<b><u>Interest on Savings and Temp Cash</u></b>	<b><u>Dividends+ Interest on Securities</u></b>	<b><u>Capital Gain or (Loss)</u></b>	<b><u>Futures Sch K-1 Net Loss</u></b>	<b><u>Net Investment Income</u></b>	<b><u>Disb. For Charitable Purposes</u></b>
<b><u>Interest and Dividends:</u></b>						
MS6115 FMA	7					
MS Litigation Settlements			87			
MS6115 Futures(Sch K-1)	-	932	(142,952)	(58,400)		
MS6116 Madison	4	64,621	8,175			
MS6119 Kayne	4	19,385	91,235			
MS6120 Brandes	3	7,867	(52,185)			
MS8247 Harding	1	11,118	3,564			
MSS9286 Cambiar	8	25,061	116,577			
MS9287 Davis	11	25,593	37,291			
MS1151 Turner	26	13,732	60,409			
MS1152 Red Granite	57	21,812	(4,766)			
MS1154 Hansberger	28	11,479	655			
MS6688 Intl Mutual Funds	-	5,665	(26)			
<b>Totals</b>	<b>149</b>	<b>207,265</b>	<b>118,064</b>	<b>(58,400)</b>	<b>267,078</b>	<b>-</b>
<b><u>Expenses:</u></b>						
16c MS Investment Fees	84,197				84,197	-
17 Interest Paid	2				2	-
18 Federal Excise Tax	(6,382)				-	
Foreign Tax Paid	4,406				4,406	
Total Taxes Paid	(1,976)				4,406	
19 Depreciation - Stmt 2	-				-	
20 Occupancy + Telephone	15,014				1,502	13,512
21 Travel, Conf, etc.	287				-	287
22 Printing + Publications	-				-	-
23 Other Expenses:						
Assoc Dues	1,845				170	1,675
Bank + Reg. Fees	25				-	25
Insurance	474				-	474
Internet + Website	362				36	326
Supplies + Postage	417				101	316
Total Other Exp.	3,123				307	2,816
24 Subtotal Expenses	100,647				90,414	16,615
25 Grants Paid - Stmt 3	639,218				-	639,218
<b>Total Expenses</b>	<b>739,865</b>				<b>90,414</b>	<b>655,833</b>

**Charlson Foundation  
EIN # 41-1313302  
2012 Depreciation Schedule**

<b>Date Acq.</b>	<b><u>Office Equipment</u></b>	<b><u>Cost</u></b>	<b><u>Jan 1 Accum Depr</u></b>	<b><u>Current Year Depr(SL)</u></b>	<b><u>Dec 31 Accum Depr</u></b>	<b><u>Dec 31 Asset Basis</u></b>
Pre-1994	Vault File Cabinet	625	625	-	625	-
Nov-94	HP Fax Machine	723	723	-	723	-
Oct-95	Canon Copier	623	623	-	623	-
Mar-02	Office Furniture	<u>8,371</u>	<u>8,371</u>	<u>-</u>	<u>8,371</u>	<u>-</u>
	<b>Totals</b>	10,342	10,342	-	10,342	-

**Charlson Foundation**  
**EIN # 41-1313302**  
**2012 Grants**

<b>Date Paid</b>	<b>Description</b>	<b>Purpose</b>	<b>Amount (dollars)</b>
1/24/2012	<b>Minnesota Council on Foundations</b> 100 Portland Ave So, Minneapolis, MN 55401	gos (general operating support)	1,675
1/26/2012	<b>The Jeremiah Program</b> 1510 Laurel Ave. Minneapolis, MN 55403	gos	40,000
1/26/2012	<b>WATCH</b> 608 Second Ave So, Minneapolis MN 55402	gos	15,000
2/3/2012	<b>West Suburban Teen Clinic</b> 478 Second St., Excelsior, MN 55331	Mental health services	20,000
2/23/2012	<b>Dunwoody College of Technology</b> 818 Dunwoody Blvd., Minneapolis, MN 55403	Youth Career Awareness Program	17,500
3/19/2012	<b>Face to Face</b> 1165 Arcade St, St. Paul, MN 55106	East Metro Youth Connect	3,000
3/27/2012	<b>Charities Review Council</b> 2610 University Ave W., St. Paul, MN 55114	gos	5,000
4/12/2012	<b>N.C. Little Memorial Hospice</b> 7019 Lynmar Lane, Edina, MN 55435	Fundraiser sponsorship	10,000
5/16/2012	<b>Youth Frontiers</b> 6009 Excelsior Blvd., St. Louis Park, MN 55416	gos	5,000
5/26/2012	<b>Ascension Place, Inc.</b> 1803 Bryant Ave No., Minneapolis, MN 55411	gos	5,000
5/26/2012	<b>Twin Cities Habitat for Humanity</b> 3001 4 <sup>th</sup> Street SE, Minneapolis, MN 55414	gos	10,000
5/27/2012	<b>Children's Cancer Research Fund</b> 7301 Ohms Lane, Suite 460, Edina, MN 55439	gos	1,000
5/30/2012	<b>The Link</b> 1210 Glenwood Ave., Minneapolis, MN 55405	Supportive Housing	20,000
5/30/2012	<b>Plymouth Church Neighborhood Foundation</b> 2610 University Ave West, St. Paul, MN 55114	Nicollet Square	10,000
6/5/2012	<b>YWCA St. Paul</b> 375 Selby Ave., St. Paul, MN 55102	Transitional Housing Program	20,000
6/5/2012	<b>Stonebridge Community School</b> 4530 Lyndale Ave So., Minneapolis, MN 55419	gos	20,000
6/5/2012	<b>CommonBond Communities</b> 328 Kellogg Blvd West, St. Paul, MN 55102	gos	25,000

6/8/2012	<b>People Incorporated</b> 2060 Centre Pointe Blvd., St. Paul, MN 55120	Homeless Services program	10,000
6/8/2012	<b>Children's Law Center of Minnesota</b> 450 Syndicate St. N., St. Paul, MN 55104	gos	10,000
6/8/2012	<b>Youth Farm and Market Project</b> 128 West 33 <sup>rd</sup> St., Minneapolis, MN 55408	gos	22,500
6/8/2012	<b>Immigrant Law Center of Minnesota</b> 450 N. Syndicate St., St. Paul, MN 55104	New Beginnings Project	5,000
6/25/2012	<b>LearningWorks</b> 511 Kenwood Parkway, Minneapolis, MN 55403	gos	25,000
8/4/2012	<b>WATCH</b> 608 Second Ave So., Minneapolis, MN 55402	gos	15,000
8/4/2012	<b>Ujamaa Place</b> 1885 University Ave., St. Paul, MN 55104	gos	25,000
8/8/2012	<b>St Stephen's Human Services</b> 2309 Nicollet Ave So., Minneapolis, MN 55404	gos	25,000
8/8/2012	<b>Mental Health Association of MN</b> 475 Cleveland Ave No., St. Paul, MN 55104	gos	10,000
8/8/2012	<b>The Michelle Project</b> 4439 West 50 <sup>th</sup> St., Edina, MN 55424	gos	3,000
8/29/2012	<b>Catholic Charities – St Paul &amp; Minneapolis</b> 1200 Second Ave So., Minneapolis, MN 55403	Hope Street for Homeless Youth	23,000
9/13/2012	<b>Navy League of the US–Twin Cities Council</b> PO Box 11749, St. Paul, MN 55111	USS Minnesota Commissioning Project	5,000
9/29/2012	<b>Ampersand Families</b> 1700 Second St NE, Minneapolis, MN 55413	gos	10,000
9/29/2012	<b>Helping Paws</b> P.O. Box 634, Hopkins, MN 55343	gos	8,000
9/29/2012	<b>Ann Arbor Center for Independent Living</b> 3941 Research Park Dr., Ann Arbor, MI 48108	Event sponsorship	4,000
10/6/2012	<b>St. Mary's Greek Orthodox Church</b> 3450 Irving Ave So., Minneapolis, MN 55408	Project Youth Connect	3,500
10/10/12	<b>St. Mary's Greek Orthodox Church</b> 3450 Irving Ave So., Minneapolis, MN 55408	Project Youth Connect	2,000
10/29/2012	<b>YouthZone</b> 803 School St., Glenwood Springs, CO 81601	Restorative Justice Program	20,000
10/29/2012	<b>Project for Pride in Living</b> 1035 East Franklin Ave., Minneapolis, MN 55404	Self-sufficiency Program	25,000
11/8/2012	<b>Teens Alone</b> 915 Mainstreet, Hopkins, MN 55343	gos	20,000

12/4/2012	<b>Oasis for Youth</b> 2200 W Old Shakopee Rd, Bloomington, MN 55431	gos	10,000
12/9/2012	<b>KIPP Minnesota</b> 1601 Laurel Ave., Minneapolis, MN 55403	KIPP Stand Academy	5,000
12/9/2012	<b>Women's Foundation of Minnesota</b> 155 Fifth Ave So., Minneapolis, MN 55401	girlsBEST	20,000
12/9/2012	<b>Women's Foundation of Minnesota</b> 155 Fifth Ave So., Minneapolis, MN 55401	Minnesota Girls Are Not For Sale	33,000
12/9/2012	<b>Free Arts Minnesota</b> 400 1 <sup>st</sup> Ave No., Minneapolis, MN 55401	gos	12,000
12/9/2012	<b>Ascension Place, Inc.</b> 1803 Bryant Ave No., Minneapolis, MN 55411	St. Anne's Place	5,000
12/16/2012	<b>Avenues for Homeless Youth</b> 1708 Oak Park Ave No., Minneapolis, MN 55411	gos	27,000
12/21/2012	<b>YouthLink</b> 41 North 12 <sup>th</sup> St., Minneapolis, MN 55403	gos	25,000
July-Oct 2012	<b>Oasis for Youth</b> 2200 W Old Shakopee Road Bloomington, MN 55431	In-kind Fundraising Expenses	3,043.15

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**Total 2012 Grants**

**\$ 639,218.15**

**Charlson Foundation**  
**EIN # 41-1313302**  
**Assets - Part II**  
**December 31, 2012**

<u>Asset</u>	<u>Book Value</u> <u>12/31/2011</u>	<u>Reinv. Inc.</u> <u>+ Transfers</u>	<u>Book Value</u> <u>12/31/2012</u>	<u>Fair Market Value</u> <u>12/31/2012</u>
<b>Savings + Temp Cash:</b>				
MS6115 FMA	12,311	33,832	46,143	46,143
<b>Investment: US Govt</b>				
MS6116 Madison Gov	2,112,394	(36,231)	2,076,163	1,825,556
<b>Investment: Stock</b>				
MS6115 Futures	2,051,627	-	2,051,627	1,915,319
MS6119 Kayne	985,504	(126,222)	859,282	995,724
MS6120 Brandes	289,890	(289,890)	-	-
MS8247 Harding	393,271	7,869	401,140	516,894
MS9286 Cambiar	1,029,747	(46,533)	983,214	1,068,955
MS9287 Davis	863,363	50,947	914,310	1,126,222
MS1151 Turner	963,581	(73,053)	890,528	1,051,405
MS1152 Red Granite	1,078,205	(45,658)	1,032,547	1,166,783
MS1154 Hansberger	412,349	5,759	418,108	488,079
MS6688 Intl Mutual Funds	-	246,813	246,813	336,435
	8,067,537	(269,968)	7,797,569	8,665,816
<b>Equipment:</b>				
Office Machines	-	-	-	-
<b>Other Assets:</b>				
Rent Deposit	824	-	824	824
<b>TOTALS</b>	<b>10,193,066</b>	<b>(272,367)</b>	<b>9,920,699</b>	<b>10,538,339</b>

**Charlson Foundation**  
**EIN # 41-1313302**  
**Capital Gains & Losses - Part IV**  
**December 31, 2012**

<b>Col. a</b> <b><u>Property Sold</u></b>	<b>Col. b</b> <b><u>P or D</u></b>	<b>Col. c + d</b> <b><u>Date Acq/Sold</u></b>	<b>Col. e</b> <b><u>Gross Sales</u></b>	<b>Col. g</b> <b><u>Cost Basis</u></b>	<b>Col. h</b> <b><u>Gain/(Loss)</u></b>
1a Futures + Straddles	p	K-1+Form 6781	K-1	K-1	(142,952)
1b Litigation Settlements	p	Various	Various	Various	87
<b><u>Short Term Capital Gains:</u></b>					
1c MS6116 Madison	p	See	127,927	127,886	41
1d MS6119 Kayne	p	Detail	363,381	328,734	34,647
1e MS6120 Brandes	p	on the	57,429	57,083	346
1f MS8247 Harding	p	Attached	98,542	103,750	(5,208)
1g MS9286 Cambiar	p	Broker	355,203	338,172	17,031
1h MS9287 Davis	p	Schedules	30,943	31,548	(605)
1i MS1151 Turner	p		842,244	828,126	14,118
1j MS1152 Red Granite	p		341,827	377,804	(35,977)
1k MS1154 Hansberger	p		66,705	66,809	(104)
1l MS6688 Intl Mutual Funds	p		726	752	(26)
<b><u>Long Term Capital Gains:</u></b>					
1m MS6116 Madison	p	See	233,402	225,268	8,134
1n MS6119 Kayne	p	Detail	208,912	152,324	56,588
1o MS6120 Brandes	p	on the	239,346	291,877	(52,531)
1p MS8247 Harding	p	Attached	67,409	58,637	8,772
1q MS9286 Cambiar	p	Broker	498,043	398,497	99,546
1r MS9287 Davis	p	Schedules	158,991	121,095	37,896
1s MS1151 Turner	p		247,057	200,766	46,291
1t MS1152 Red Granite	p		334,968	303,757	31,211
1u MS1154 Hansberger	p		17,682	16,923	759

Gross Sales Price and Cost Basis Totals

<u>4,290,737</u>	<u>4,029,808</u>
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**2 Capital Gain Net Income or (Net Capital Loss)**

<u><u>118,064</u></u>
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**Charlson Foundation**  
**EIN # 41-1313302**  
**Form 990PF – Part XV, Line 2**

**Line 2a – Grant Application Address**

Charlson Foundation  
5275 Edina Industrial Blvd, Suite 111  
Edina, MN 55439  
952-938-6968

**Line 2b – Form of Submitted Applications**

First time or nonrecurring applicants should submit a maximum two-page letter of intent describing the organization's history, mission, goals, the project for which a grant is requested, and the amount of the intended grant. The letter will be reviewed, and if accepted, an invitation for a full proposal will be sent out within one month of the deadline dates.

Renewal requests will be considered only after a final report of a previous grant has been received. Renewal grant applicants should submit a new full proposal by the deadline dates.

Two complete copies of the grant proposals should be submitted using the Minnesota Common Grant Application, as well as copies of the organization's most recent audited financial statements. Finally, the proposal should include the salaries of the organization's two highest paid employees.

**Line 2c – Submission Deadlines**

Letter of Intent: March 1<sup>st</sup> and August 1<sup>st</sup>  
Renewal Requests: April 1<sup>st</sup> and September 1<sup>st</sup>

**Line 2d – Restrictions or Limitations on Awards**

Areas of interest include Youth & Children and Families. Priority is given to requests for programs that do a superior job helping individuals overcome multiple obstacles by providing an integrated, wrap-around array of services, as well as programs that focus on prevention and long-term solutions, have made provisions for measurable outcomes, can demonstrate past success, and that generally serve low income people.

Grants are generally restricted to organizations serving residents in the Minneapolis/St. Paul, MN metropolitan area.

There is a \$10,000 limit for first time requests. Multiple-year grants will only be considered on renewal requests.

**Charlson Foundation**  
**EIN # 41-1313302**  
**Form 990PF – Part XV, 3b**  
**Grants Approved for Future Payment**  
**December 31, 2012**

<u>Organization</u>	<u>Purpose of Grant and Years</u>	<u>Amount</u>
Avenues for Homeless Youth 1708 Oak Park Ave N, Minneapolis, MN 55441	General Operations 2013	28,000
CommonBond 2610 University Ave W, St Paul, MN 55114	General Operations 2013	25,000
Dunwoody College of Technology 818 Dunwoody Blvd, Minneapolis, MN 55403	Youth Career Awareness Program 2013	17,500
Immigrant Law Center of Minnesota 450 North Syndicate St, St. Paul, MN 55104	New Beginnings Project 2013	5,000
Jeremiah Program 1510 Laurel Ave, Minneapolis, MN 55403	General Operations 2013-14	80,000
People Incorporated 2060 Centre Pointe Blvd, St. Paul, MN 55120	Homeless Services Program 2013	10,000
St. Stephen's Human Services 2211 Clinton Ave So, Minneapolis, MN 55404	General Operations 2013	25,000
WATCH 608 Second Ave So, Minneapolis MN 55402	General Operations 2013-14	30,000
Women's Foundation of Minnesota 155 Fifth Avenue So, Minneapolis, MN 55401	girlsBEST + Girls Not for Sale Programs 2013	53,000
Youth Farm & Market 128 W 33 <sup>rd</sup> St, # 2, Minneapolis, MN 55408	General Operations 2013-14	45,000
<b>Total Approved Future Grants</b>		<hr/> <b>\$ 318,500</b>