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

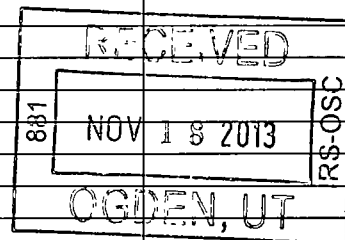
**Note** The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2012 or tax year beginning

, and ending

|   |   |   |
|---|---|---|
| Name of foundation<br><b>MARLU FOUNDATION</b>   |   | <b>A</b> Employer identification number<br><b>41-1850047</b>  |
| Number and street (or P.O. box number if mail is not delivered to street address)<br><b>P.O. BOX 5628</b>   | Room/suite  | <b>B</b> Telephone number<br><b>952-674-2800</b>  |
| City or town, state, and ZIP code<br><b>MINNEAPOLIS, MN 55440</b>   |   | <b>C</b> If exemption application is pending, check here <input type="checkbox"/>   |
| <b>G</b> Check all that apply:<br><input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Final return <input type="checkbox"/> Amended return<br><input type="checkbox"/> Address change <input type="checkbox"/> Name change |   | <b>D</b> 1. Foreign organizations, check here <input type="checkbox"/><br>2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| <b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation  |   | <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>  |
| <b>I</b> Fair market value of all assets at end of year (from Part II, col (c), line 16)<br>\$ <b>3,048,594.</b> (Part I, column (d) must be on cash basis)   | <b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>   |

| <b>Part I</b> Analysis of Revenue and Expenses<br><small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small> | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|------------------------------------|---------------------------|-------------------------|---|
| <b>1</b> Contributions, gifts, grants, etc., received  |                                    |                           | <b>N/A</b>              |   |
| <b>2</b> Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B   |                                    |                           |                         |   |
| <b>3</b> Interest on savings and temporary cash investments  | 38,850.                            | 36,800.                   |                         |   |
| <b>4</b> Dividends and interest from securities  | 51,953.                            | 49,940.                   |                         |   |
| <b>5a</b> Gross rents  | 44.                                |                           |                         |   |
| <b>b</b> Net rental income or (loss)   | 44.                                |                           |                         |   |
| <b>6a</b> Net gain or (loss) from sale of assets not on line 10  | 497,042.                           |                           |                         |   |
| <b>b</b> Gross sales price for all assets on line 6a   | 1,096,972.                         |                           |                         |   |
| <b>7</b> Capital gain net income (from Part IV, line 2)  |                                    | 493,591.                  |                         |   |
| <b>8</b> Net short-term capital gain   |                                    |                           |                         |   |
| <b>9</b> Income modifications  |                                    |                           |                         |   |
| <b>10a</b> Gross sales less returns and allowances   |                                    |                           |                         |   |
| <b>b</b> Less Cost of goods sold   |                                    |                           |                         |   |
| <b>c</b> Gross profit or (loss)  |                                    |                           |                         |   |
| <b>11</b> Other income   | <4,284.>                           | 45,673.                   |                         |   |
| <b>12 Total.</b> Add lines 1 through 11  | 583,605.                           | 626,004.                  |                         |   |
| <b>13</b> Compensation of officers, directors, trustees, etc   | 0.                                 | 0.                        |                         | 0.  |
| <b>14</b> Other employee salaries and wages  |                                    |                           |                         |   |
| <b>15</b> Pension plans, employee benefits   |                                    |                           |                         |   |
| <b>16a</b> Legal fees  |                                    |                           |                         |   |
| <b>b</b> Accounting fees   |                                    |                           |                         |   |
| <b>c</b> Other professional fees   | 24,297.                            | 22,352.                   |                         | 1,945.  |
| <b>17</b> Interest   | 40.                                | 0.                        |                         | 0.  |
| <b>18</b> Taxes  | 5,883.                             | 783.                      |                         | 0.  |
| <b>19</b> Depreciation and depletion   | 1,416.                             | 1,416.                    |                         |   |
| <b>20</b> Occupancy  |                                    |                           |                         |   |
| <b>21</b> Travel, conferences, and meetings  |                                    |                           |                         |   |
| <b>22</b> Printing and publications  |                                    |                           |                         |   |
| <b>23</b> Other expenses   | 1,130.                             | 17,144.                   |                         | 40.   |
| <b>24 Total operating and administrative expenses.</b> Add lines 13 through 23   | 32,766.                            | 41,695.                   |                         | 1,985.  |
| <b>25</b> Contributions, gifts, grants paid  | 318,211.                           |                           |                         | 318,211.  |
| <b>26 Total expenses and disbursements.</b> Add lines 24 and 25  | 350,977.                           | 41,695.                   |                         | 320,196.  |
| <b>27 Subtract line 26 from line 12:</b>   |                                    |                           |                         |   |
| <b>a</b> Excess of revenue over expenses and disbursements   | 232,628.                           |                           |                         |   |
| <b>b Net investment income</b> (if negative, enter -0-)  |                                    | 584,309.                  |                         |   |
| <b>c Adjusted net income</b> (if negative, enter -0-)  |                                    |                           | <b>N/A</b>              |   |



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\* See statement regarding transfers received as a successor foundation.

| <b>Part II Balance Sheets</b>      |   | Attached schedules and amounts in the description column should be for end-of-year amounts only |                   | Beginning of year     | End of year       |            |
|------------------------------------|---|---|-------------------|-----------------------|-------------------|------------|
|                                    |   | (a) Book Value  | (b) Book Value    | (c) Fair Market Value |                   |            |
| <b>Assets</b>                      | 1   | Cash - non-interest-bearing   |                   |                       |                   |            |
|                                    | 2   | Savings and temporary cash investments  |                   | 33,799.               | 332,873.          | 332,873.   |
|                                    | 3   | Accounts receivable ▶ 143,183.  |                   |                       | 143,183.          | 143,183.   |
|                                    |   | 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 <b>STMT 10</b>                              |                   | 302,125.              | 299,525.          | 276,323.   |
|                                    | b   | Investments - corporate stock <b>STMT 11</b>  |                   | 992,692.              | 1,817,514.        | 1,996,196. |
|                                    | c   | Investments - corporate bonds <b>STMT 12</b>  |                   | 170,200.              | 170,200.          | 167,745.   |
| 11                                 | Investments - land, buildings, and equipment basis ▶                                      |   |                   |                       |                   |            |
|                                    | Less: accumulated depreciation ▶  |   |                   |                       |                   |            |
| 12                                 | Investments - mortgage loans  |   |                   |                       |                   |            |
| 13                                 | Investments - other <b>STMT 13</b>  |   | 0.                | 6,561.                | 134,274.          |            |
| 14                                 | Land, buildings, and equipment: basis ▶   |   |                   |                       |                   |            |
|                                    | Less: accumulated depreciation ▶  |   |                   |                       |                   |            |
| 15                                 | Other assets (describe ▶)   |   |                   |                       |                   |            |
| <b>16</b>                          | <b>Total assets (to be completed by all filers)</b>                                       |   | <b>1,498,816.</b> | <b>2,769,856.</b>     | <b>3,050,594.</b> |            |
| <b>Liabilities</b>                 | 17  | Accounts payable and accrued expenses   |                   |                       | 1,023.            |            |
|                                    | 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 ▶)  |                   |                       |                   |            |
|                                    | <b>23</b>   | <b>Total liabilities (add lines 17 through 22)</b>  |                   | <b>0.</b>             | <b>1,023.</b>     |            |
| <b>Net Assets or Fund Balances</b> | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>                   |   |                   |                       |                   |            |
|                                    | 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 ▶ <input checked="" type="checkbox"/> |   |                   |                       |                   |            |
|                                    | 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                          |   | 1,498,816.        | 2,768,833.            |                   |            |
| <b>30</b>                          | <b>Total net assets or fund balances</b>  |   | <b>1,498,816.</b> | <b>2,768,833.</b>     |                   |            |
| <b>31</b>                          | <b>Total liabilities and net assets/fund balances</b>                                     |   | <b>1,498,816.</b> | <b>2,769,856.</b>     |                   |            |

**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<br>(must agree with end-of-year figure reported on prior year's return) | 1 | 1,498,816. |
| 2 | Enter amount from Part I, line 27a  | 2 | 232,628.   |
| 3 | Other increases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 9</b>   | 3 | 1,037,389. |
| 4 | Add lines 1, 2, and 3   | 4 | 2,768,833. |
| 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 | 2,768,833. |

**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<br>P - Purchase<br>D - Donation  | (c) Date acquired<br>(mo., day, yr.)         | (d) Date sold<br>(mo., day, yr.)  |
|--|--|---|--|---|
| <b>1a</b>  |  |   |  |   |
| <b>b SEE ATTACHED STATEMENTS</b>   |  |   |  |   |
| <b>c</b>   |  |   |  |   |
| <b>d</b>   |  |   |  |   |
| <b>e</b>   |  |   |  |   |
| (e) Gross sales price  | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale   | (h) Gain or (loss)<br>(e) plus (f) minus (g) |   |
| <b>a</b>   |  |   |  |   |
| <b>b</b>   |  |   |  |   |
| <b>c</b>   |  |   |  |   |
| <b>d</b>   |  |   |  |   |
| <b>e</b>   | 1,090,936.                                 | 597,345.  | 493,591.                                     |   |
| 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)) |
| (i) F.M.V. as of 12/31/69  | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col. (i)<br>over col. (j), if any   |  |   |
| <b>a</b>   |  |   |  |   |
| <b>b</b>   |  |   |  |   |
| <b>c</b>   |  |   |  |   |
| <b>d</b>   |  |   |  |   |
| <b>e</b>   |  |   | 493,591.                                     |   |
| <b>2</b> Capital gain net income or (net capital loss)   |  | { If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7                 } |  | 2 493,591.  |
| <b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>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)<br>Base period years<br>Calendar year (or tax year beginning in)  | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col. (b) divided by col. (c)) |
|---|--|--|---|
| 2011  | 407,296.                                 | 3,263,376.                                   | .124808   |
| 2010  | 377,527.                                 | 3,130,641.                                   | .120591   |
| 2009  | 484,246.                                 | 2,684,071.                                   | .180415   |
| 2008  | 487,916.                                 | 3,508,875.                                   | .139052   |
| 2007  | 205,330.                                 | 3,813,623.                                   | .053841   |
| <b>2</b> Total of line 1, column (d)  |  |  | 2 .618707   |
| <b>3</b> 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 .123741   |
| <b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5   |  |  | 4 3,117,255.  |
| <b>5</b> Multiply line 4 by line 3  |  |  | 5 385,732.  |
| <b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)   |  |  | 6 5,843.  |
| <b>7</b> Add lines 5 and 6  |  |  | 7 391,575.  |
| <b>8</b> Enter qualifying distributions from Part XII, line 4   |  |  | 8 320,196.  |

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.

See statement regarding transfers received as a successor foundation.

**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 <input type="checkbox"/> and enter "N/A" on line 1.<br>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 <input type="checkbox"/> and enter 1% of Part I, line 27b  |    | 1        | 11,686. |
| 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        | 11,686. |
| 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        | 11,686. |
| 6 Credits/Payments:  |    |          |         |
| a 2012 estimated tax payments and 2011 overpayment credited to 2012  | 6a | * 4,320. |         |
| b Exempt foreign organizations - tax withheld at source  | 6b |          |         |
| c Tax paid with application for extension of time to file (Form 8868)  | 6c | 14,000.  |         |
| d Backup withholding erroneously withheld  | 6d |          |         |
| 7 Total credits and payments. Add lines 6a through 6d  | 7  | 18,320.  |         |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached  | 8  |          |         |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed  | 9  |          |         |
| 10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid   | 10 | 6,634.   |         |
| 11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> 6,634. Refunded <input type="checkbox"/>   | 11 | 0.       |         |

**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?   |     | X  |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?<br>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. |     | X  |
| c Did the foundation file Form 1120-POL for this year?  |     | X  |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:<br>(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?<br>If "Yes," attach a detailed description of the activities  |     | 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  |     | X  |
| 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?  | X   |    |
| b If "Yes," has it filed a tax return on Form 990-T for this year?  | X   |    |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br>If "Yes," attach the statement required by General Instruction T.   |     | X  |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:<br>• By language in the governing instrument, or<br>• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?      | X   |    |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year?<br>If "Yes," complete Part II, col. (c), and Part XV  | X   |    |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>MN</u>   |     |    |
| 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   | 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  |     | X  |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses   | X   |    |

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\* See statement regarding transfers received as a successor foundation.

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

|    |   |    |     |         |
|----|---|----|-----|---------|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)   | 11 |     | X       |
| 12 | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)  | 12 |     | X       |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application?<br>Website address ► <b>N/A</b>   | 13 | X   |         |
| 14 | The books are in care of ► <b>WAYCROSSE, INC.</b> Telephone no. ► <b>952-674-2800</b><br>Located at ► <b>15407 MCGINTY ROAD WEST, WAYZATA, MN</b> ZIP+4 ► <b>55391</b>  |    |     |         |
| 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<br>► <b>15</b> <b>N/A</b>   |    |     |         |
| 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?<br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ► | 16 | Yes | No<br>X |

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

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

|     |   | Yes | No |
|-----|---|-----|----|
| 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (5) | Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (6) | Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| b   | If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here<br>N/A <input type="checkbox"/>   | 1b  |    |
| 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>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.<br>► _____, _____, _____   |     |    |
| 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.) 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)?  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? **SEE STATEMENT 15**  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?  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?  Yes  No **N/A**

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

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

| (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 |
|--|---|---|---|---------------------------------------|
| LUCY STITZER<br>P.O. BOX 5628<br>MINNEAPOLIS, MN 55440 | PRESIDENT & DIRECTOR<br>0.00                              | 0.  | 0.  | 0.                                    |
| MARK STITZER<br>P.O. BOX 5628<br>MINNEAPOLIS, MN 55440 | VICE PRESIDENT & DIRECTOR<br>0.00                         | 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.

**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> | 2,993,015. |
| <b>b</b> | Average of monthly cash balances  | <b>1b</b> | 173,711.   |
| <b>c</b> | Fair market value of all other assets   | <b>1c</b> |            |
| <b>d</b> | <b>Total</b> (add lines 1a, b, and c)   | <b>1d</b> | 3,166,726. |
| <b>e</b> | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)   | <b>1e</b> | 0.         |
| <b>2</b> | Acquisition indebtedness applicable to line 1 assets  | <b>2</b>  | 0.         |
| <b>3</b> | Subtract line 2 from line 1d  | <b>3</b>  | 3,166,726. |
| <b>4</b> | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)   | <b>4</b>  | 47,501.    |
| <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>  | 3,119,225. |
| <b>6</b> | <b>Minimum investment return.</b> Enter 5% of line 5  | <b>6</b>  | 155,961.   |

**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>  | 155,961. |
| <b>2a</b> | Tax on investment income for 2012 from Part VI, line 5  | <b>2a</b> | 11,686.  |
| <b>b</b>  | Income tax for 2012. (This does not include the tax from Part VI.)  | <b>2b</b> | 57.      |
| <b>c</b>  | Add lines 2a and 2b   | <b>2c</b> | 11,743.  |
| <b>3</b>  | Distributable amount before adjustments. Subtract line 2c from line 1                                     | <b>3</b>  | 144,218. |
| <b>4</b>  | Recoveries of amounts treated as qualifying distributions   | <b>4</b>  | 0.       |
| <b>5</b>  | Add lines 3 and 4   | <b>5</b>  | 144,218. |
| <b>6</b>  | Deduction from distributable amount (see instructions)  | <b>6</b>  | 0.       |
| <b>7</b>  | <b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | <b>7</b>  | 144,218. |

**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> | 320,196. |
| <b>b</b> | Program-related investments - total from Part IX-B  | <b>1b</b> | 0.       |
| <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>  | 320,196. |
| <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 | <b>5</b>  | 0.       |
| <b>6</b> | <b>Adjusted qualifying distributions</b> Subtract line 5 from line 4  | <b>6</b>  | 320,196. |

**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)<br>Corpus | (b)<br>Years prior to 2011 | (c)<br>2011 | (d)<br>2012 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2012 from Part XI, line 7   |               |                            |             | 144,218.    |
| 2 Undistributed income, if any, as of the end of 2012  |               |                            |             |             |
| a Enter amount for 2011 only   |               |                            | * 66,757.   |             |
| b Total for prior years:   |               | 0.                         |             |             |
| 3 Excess distributions carryover, if any, to 2012:   |               |                            |             |             |
| a From 2007  | 29,666.       |                            |             |             |
| b From 2008  | 304,836.      |                            |             |             |
| c From 2009  | 342,411.      |                            |             |             |
| d From 2010  | 227,043.      |                            |             |             |
| e From 2011  | 253,632.      |                            |             |             |
| f Total of lines 3a through e  | 1,157,588.    |                            |             |             |
| 4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$  | 320,196.      |                            |             |             |
| a Applied to 2011, but not more than line 2a   |               |                            | 66,757.     |             |
| 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   |               |                            |             | 144,218.    |
| e Remaining amount distributed out of corpus   | 109,221.      |                            |             |             |
| 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  | 1,266,809.    |                            |             |             |
| 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   | 29,666.       |                            |             |             |
| 9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a  | 1,237,143.    |                            |             |             |
| 10 Analysis of line 9:   |               |                            |             |             |
| a Excess from 2008   | 304,836.      |                            |             |             |
| b Excess from 2009   | 342,411.      |                            |             |             |
| c Excess from 2010   | 227,043.      |                            |             |             |
| d Excess from 2011   | 253,632.      |                            |             |             |
| e Excess from 2012   | 109,221.      |                            |             |             |

\* See statement regarding transfers received as a successor foundation.



**Part XV** **Supplementary Information** (continued)

| <b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>   |  |   |                                |   |                 |
|---|--|---|--------------------------------|---|-----------------|
| 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 Paid during the year</b>   |  |   |                                |   |                 |
| BRUNSWICK SCHOOL<br>100 MAHER AVENUE<br>GREENWICH, CT 06830                             |  | NONE  | PUBLIC CHARITY                 | UNRESTRICTED  | 98,974.         |
| RONALD MCDONALD HOUSE<br>26 GERRARD STREET EAST<br>TORONTO, ONTARIO, CANADA M5B 1G3     |  | NONE  |                                | TO SUPPORT THE CONSTRUCTION OF THE NEW RONALD MCDONALD HOUSE TORONTO. | 20,000.         |
| SPRINGFIELD COLLEGE - YMCA CENTER FUND<br>263 ALDEN STREET<br>SPRINGFIELD, MA 011093797 |  | NONE  | PUBLIC CHARITY                 | YMCA CENTER FUND  | 199,237.        |
| <b>Total</b>  |  |   |                                |   | <b>318,211.</b> |
| <b>b Approved for future payment</b>  |  |   |                                |   |                 |
| NONE  |  |   |                                |   |                 |
| <b>Total</b>  |  |   |                                |   | <b>0.</b>       |





**MARLU FOUNDATION**

**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<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| 1a TAXABLE BOND FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| b TAXABLE BOND FUND PASS THROUGH GAIN   | P  |                                      |                                  |
| c GLOBAL EQUITY FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| d GLOBAL EQUITY FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| e U.S. ALL CAP EQUITY FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| f U.S. ALL CAP EQUITY FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| g GLOBAL BOND FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| h GLOBAL BOND FUND PASS THROUGH GAIN  | P  |                                      |                                  |
| i INTERNATIONAL EQUITY FD II PASS THROUGH GAIN  | P  |                                      |                                  |
| j INTERNATIONAL EQUITY FD II PASS THROUGH GAIN  | P  |                                      |                                  |
| k DEUTSCHE BANK-PUBLICLY TRADED SECURITIES  |  |                                      |                                  |
| l DEUTSCHE BANK-PUBLICLY TRADED SECURITIES  |  |                                      |                                  |
| m ENBRIDGE ENERGY SALE OF UNITS   | P  |                                      |                                  |
| n ADDITIONAL GAIN ON FUND LIQUIDATIONS  | P  |                                      |                                  |
| o FROM SARAH STEVENS MACMILLAN FOUNDATION   | P  |                                      |                                  |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 1,937.              |  |   | 1,937.                                       |
| b 36,911.             |  |   | 36,911.                                      |
| c 2,772.              |  |   | 2,772.                                       |
| d 41,011.             |  |   | 41,011.                                      |
| e 11,075.             |  |   | 11,075.                                      |
| f 117,108.            |  |   | 117,108.                                     |
| g 3,803.              |  |   | 3,803.                                       |
| h 24,592.             |  |   | 24,592.                                      |
| i 37,925.             |  |   | 37,925.                                      |
| j 79,039.             |  |   | 79,039.                                      |
| k 191,670.            |  | 175,785.  | 15,885.                                      |
| l 497,250.            |  | 378,783.  | 118,467.                                     |
| m 42,320.             |  | 42,777.   | <457.>                                       |
| n 52.                 |  |   | 52.  |
| o 1,672.              |  |   | 1,672.                                       |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 |                                      |   | (l) Losses (from col. (h))<br>Gains (excess of col. (h) gain over col. (k),<br>but not less than "-0-") |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any |   |
| a   |                                      |   | 1,937.  |
| b   |                                      |   | 36,911.   |
| c   |                                      |   | 2,772.  |
| d   |                                      |   | 41,011.   |
| e   |                                      |   | 11,075.   |
| f   |                                      |   | 117,108.  |
| g   |                                      |   | 3,803.  |
| h   |                                      |   | 24,592.   |
| i   |                                      |   | 37,925.   |
| j   |                                      |   | 79,039.   |
| k   |                                      |   | 15,885.   |
| l   |                                      |   | 118,467.  |
| m   |                                      |   | <457.>  |
| n   |                                      |   | 52.   |
| o   |                                      |   | 1,672.  |

|   |   |
|---|---|
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7<br>If (loss), enter "-0-" in Part I, line 7 }   | 2 |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter "-0-" in Part I, line 8 | 3 |

**MARLU FOUNDATION**

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

| 1a | (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<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|----|---|--|--------------------------------------|----------------------------------|
|    |   |  |                                      |                                  |
| b  |   |  |                                      |                                  |
| c  |   |  |                                      |                                  |
| d  |   |  |                                      |                                  |
| e  |   |  |                                      |                                  |
| f  |   |  |                                      |                                  |
| g  |   |  |                                      |                                  |
| h  |   |  |                                      |                                  |
| i  |   |  |                                      |                                  |
| j  |   |  |                                      |                                  |
| k  |   |  |                                      |                                  |
| l  |   |  |                                      |                                  |
| m  |   |  |                                      |                                  |
| n  |   |  |                                      |                                  |
| o  |   |  |                                      |                                  |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 1,799.              |  |   | 1,799.                                       |
| b                     |  |   |  |
| c                     |  |   |  |
| d                     |  |   |  |
| e                     |  |   |  |
| f                     |  |   |  |
| g                     |  |   |  |
| h                     |  |   |  |
| i                     |  |   |  |
| j                     |  |   |  |
| k                     |  |   |  |
| l                     |  |   |  |
| m                     |  |   |  |
| n                     |  |   |  |
| o                     |  |   |  |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 |                                      |   | (l) Losses (from col. (h))<br>Gains (excess of col. (h) gain over col. (k),<br>but not less than "-0-") |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any |   |
| a   |                                      |   | 1,799.  |
| b   |                                      |   |   |
| c   |                                      |   |   |
| d   |                                      |   |   |
| e   |                                      |   |   |
| f   |                                      |   |   |
| g   |                                      |   |   |
| h   |                                      |   |   |
| i   |                                      |   |   |
| j   |                                      |   |   |
| k   |                                      |   |   |
| l   |                                      |   |   |
| m   |                                      |   |   |
| n   |                                      |   |   |
| o   |                                      |   |   |

|   |   |          |
|---|---|----------|
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7<br>If (loss), enter "-0-" in Part I, line 7 }   | 2 | 493,591. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter "-0-" in Part I, line 8 } | 3 | N/A      |

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

| SOURCE   | AMOUNT  |
|--|---------|
| DEUTSCHE BANK TRUST CO                         | 36,750. |
| DEUTSCHE BANK TRUST CO NT BOND INTEREST        | 2,050.  |
| WXCLC  | 50.     |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 38,850. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE                           | GROSS AMOUNT | CAPITAL GAINS<br>DIVIDENDS | COLUMN (A)<br>AMOUNT |
|----------------------------------|--------------|----------------------------|----------------------|
| ALLIANCE RESOURCE PARTNERS K-1   | 42.          | 0.                         | 42.                  |
| DEUTSCHE BANK                    | 49,974.      | 1,796.                     | 48,178.              |
| DORCHESTER MINERALS K-1          | 2.           | 0.                         | 2.                   |
| GLOBAL BOND FUND K-1             | 1,061.       | 0.                         | 1,061.               |
| GLOBAL EQUITY FUND K-1           | 438.         | 0.                         | 438.                 |
| INTERNATIONAL EQUITY FUND II K-1 | 486.         | 0.                         | 486.                 |
| TAXABLE BOND FUND K-1            | 1,263.       | 0.                         | 1,263.               |
| U.S. ALL CAP EQUITY FUND         | 486.         | 3.                         | 483.                 |
| TOTAL TO FM 990-PF, PART I, LN 4 | 53,752.      | 1,799.                     | 51,953.              |

FORM 990-PF RENTAL INCOME STATEMENT 3

| KIND AND LOCATION OF PROPERTY         | ACTIVITY<br>NUMBER | GROSS<br>RENTAL INCOME |
|---------------------------------------|--------------------|------------------------|
| PVR PARTNERS PASS THROUGH             | 1                  | 44.                    |
| TOTAL TO FORM 990-PF, PART I, LINE 5A |                    | 44.                    |

## FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 4

| (A)<br>DESCRIPTION OF PROPERTY         | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>MANNER<br>ACQUIRED<br>DEPREC. | (F)<br>DATE<br>ACQUIRED<br>GAIN OR LOSS | DATE SOLD |
|--|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| TAXABLE BOND FUND PASS<br>THROUGH GAIN | 1,937.                      | 0.                            | 0.                        | PURCHASED<br>0.                      |   | 1,937.    |

| (A)<br>DESCRIPTION OF PROPERTY         | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>MANNER<br>ACQUIRED<br>DEPREC. | (F)<br>DATE<br>ACQUIRED<br>GAIN OR LOSS | DATE SOLD |
|--|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| TAXABLE BOND FUND PASS<br>THROUGH GAIN | 36,911.                     | 0.                            | 0.                        | PURCHASED<br>0.                      |   | 36,911.   |

| (A)<br>DESCRIPTION OF PROPERTY          | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>MANNER<br>ACQUIRED<br>DEPREC. | (F)<br>DATE<br>ACQUIRED<br>GAIN OR LOSS | DATE SOLD |
|---|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| GLOBAL EQUITY FUND PASS<br>THROUGH GAIN | 2,772.                      | 0.                            | 0.                        | PURCHASED<br>0.                      |   | 2,772.    |

| (A)<br>DESCRIPTION OF PROPERTY       |                               |                           | MANNER<br>ACQUIRED | DATE<br>ACQUIRED    | DATE SOLD |
|--------------------------------------|-------------------------------|---------------------------|--------------------|---------------------|-----------|
| GLOBAL EQUITY FUND PASS THROUGH GAIN |                               |                           | PURCHASED          |                     |           |
| (B)<br>GROSS<br>SALES PRICE          | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.     | (F)<br>GAIN OR LOSS |           |
| 41,011.                              | 0.                            | 0.                        | 0.                 | 41,011.             |           |

| (A)<br>DESCRIPTION OF PROPERTY             |                               |                           | MANNER<br>ACQUIRED | DATE<br>ACQUIRED    | DATE SOLD |
|--|-------------------------------|---------------------------|--------------------|---------------------|-----------|
| U.S. ALL CAP EQUITY FUND PASS THROUGH GAIN |                               |                           | PURCHASED          |                     |           |
| (B)<br>GROSS<br>SALES PRICE                | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.     | (F)<br>GAIN OR LOSS |           |
| 11,075.                                    | 0.                            | 0.                        | 0.                 | 11,075.             |           |

| (A)<br>DESCRIPTION OF PROPERTY             |                               |                           | MANNER<br>ACQUIRED | DATE<br>ACQUIRED    | DATE SOLD |
|--|-------------------------------|---------------------------|--------------------|---------------------|-----------|
| U.S. ALL CAP EQUITY FUND PASS THROUGH GAIN |                               |                           | PURCHASED          |                     |           |
| (B)<br>GROSS<br>SALES PRICE                | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.     | (F)<br>GAIN OR LOSS |           |
| 117,108.                                   | 0.                            | 0.                        | 0.                 | 117,108.            |           |

| (A)<br>DESCRIPTION OF PROPERTY     | MANNER<br>ACQUIRED            |                           | DATE<br>ACQUIRED |                     | DATE SOLD |
|------------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| GLOBAL BOND FUND PASS THROUGH GAIN | PURCHASED                     |                           |                  |                     |           |
| (B)<br>GROSS<br>SALES PRICE        | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.   | (F)<br>GAIN OR LOSS |           |
| 3,803.                             | 0.                            | 0.                        | 0.               | 3,803.              |           |

| (A)<br>DESCRIPTION OF PROPERTY     | MANNER<br>ACQUIRED            |                           | DATE<br>ACQUIRED |                     | DATE SOLD |
|------------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| GLOBAL BOND FUND PASS THROUGH GAIN | PURCHASED                     |                           |                  |                     |           |
| (B)<br>GROSS<br>SALES PRICE        | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.   | (F)<br>GAIN OR LOSS |           |
| 24,592.                            | 0.                            | 0.                        | 0.               | 24,592.             |           |

| (A)<br>DESCRIPTION OF PROPERTY               | MANNER<br>ACQUIRED            |                           | DATE<br>ACQUIRED |                     | DATE SOLD |
|--|-------------------------------|---------------------------|------------------|---------------------|-----------|
| INTERNATIONAL EQUITY FD II PASS THROUGH GAIN | PURCHASED                     |                           |                  |                     |           |
| (B)<br>GROSS<br>SALES PRICE                  | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC.   | (F)<br>GAIN OR LOSS |           |
| 37,925.                                      | 0.                            | 0.                        | 0.               | 37,925.             |           |

| (A)<br>DESCRIPTION OF PROPERTY                  | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|---|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| INTERNATIONAL EQUITY FD II<br>PASS THROUGH GAIN | 79,039.                     | 0.                            | 0.                        | 0.             | 79,039.             |

| (A)<br>DESCRIPTION OF PROPERTY              | (B)<br>GROSS<br>SALES PRICE | (C)<br>VALUE AT<br>TIME OF ACQ. | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|---|-----------------------------|---------------------------------|---------------------------|----------------|---------------------|
| DEUTSCHE BANK-PUBLICLY<br>TRADED SECURITIES | 191,670.                    | 175,785.                        | 0.                        | 0.             | 15,885.             |

| (A)<br>DESCRIPTION OF PROPERTY              | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|---|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| DEUTSCHE BANK-PUBLICLY<br>TRADED SECURITIES | 497,250.                    | 379,696.                      | 0.                        | 0.             | 117,554.            |

| (A)<br>DESCRIPTION OF PROPERTY   | (B)<br>GROSS<br>SALES PRICE | (C)<br>VALUE AT<br>TIME OF ACQ. | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|----------------------------------|-----------------------------|---------------------------------|---------------------------|----------------|---------------------|
| ENBRIDGE ENERGY SALE OF<br>UNITS | 42,320.                     | 42,777.                         | 0.                        | 0.             | <457.>              |

| (A)<br>DESCRIPTION OF PROPERTY          | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|---|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| ADDITIONAL GAIN ON FUND<br>LIQUIDATIONS | 52.                         | 0.                            | 0.                        | 0.             | 52.                 |

| (A)<br>DESCRIPTION OF PROPERTY             | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|--|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| FROM SARAH STEVENS MACMILLAN<br>FOUNDATION | 1,672.                      | 1,672.                        | 0.                        | 0.             | 0.                  |

| (A)<br>DESCRIPTION OF PROPERTY           | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|--|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| ENBRIDGE ENERGY-ORDINARY<br>GAIN ON SALE | 5,608.                      | 0.                            | 0.                        | 0.             | 5,608.              |

| (A)<br>DESCRIPTION OF PROPERTY         | (B)<br>GROSS<br>SALES PRICE | (C)<br>COST OR<br>OTHER BASIS | (D)<br>EXPENSE OF<br>SALE | (E)<br>DEPREC. | (F)<br>GAIN OR LOSS |
|--|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| PVR PARTNERS PASS THROUGH<br>1231 GAIN | 428.                        | 0.                            | 0.                        | 0.             | 428.                |

|                                       |  |  |  |  |          |
|---------------------------------------|--|--|--|--|----------|
| NET GAIN OR LOSS FROM SALE OF ASSETS  |  |  |  |  | 495,243. |
| CAPITAL GAINS DIVIDENDS FROM PART IV  |  |  |  |  | 1,799.   |
| TOTAL TO FORM 990-PF, PART I, LINE 6A |  |  |  |  | 497,042. |

FORM 990-PF OTHER INCOME STATEMENT 5

| DESCRIPTION  | (A)<br>REVENUE<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME |
|--|-----------------------------|-----------------------------------|-------------------------------|
| DUETSCHKE BANK   | 2,524.                      | 2,524.                            |                               |
| GLOBAL BOND FUND K-1                                       | <788.>                      | <788.>                            |                               |
| GLOBAL EQUITY FUND K-1                                     | <1.>                        | <1.>                              |                               |
| ALLIANCE RESOURCE PARTNERS K-1                             | 119.                        | 0.                                |                               |
| TAXABLE BOND FUND K-1                                      | 17.                         | 17.                               |                               |
| ENBRIDGE ENERGY K-1  | <3,516.>                    | 0.                                |                               |
| INTERNATIONAL EQUITY FUND II K-1                           | 4.                          | 4.                                |                               |
| DORCHESTER MINERALS K-1                                    | 1,096.                      | 1,096.                            |                               |
| PVR PARTNERS   | 112.                        | 112.                              |                               |
| PVR PARTNERS<br>FROM SARAH STEVENS MACMILLAN<br>FOUNDATION | <3,851.>                    | 0.                                |                               |
|  | 0.                          | 42,709.                           |                               |
| TOTAL TO FORM 990-PF, PART I, LINE 11                      | <4,284.>                    | 45,673.                           |                               |

| FORM 990-PF                  | OTHER PROFESSIONAL FEES      |                                   |                               | STATEMENT 6                   |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION                  | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| WAYCROSSE FEES               | 5,511.                       | 3,566.                            |                               | 1,945.                        |
| INVESTMENT FEES              | 18,447.                      | 18,447.                           |                               | 0.                            |
| WAYCROSSE ADVISORY FEES      | 339.                         | 339.                              |                               | 0.                            |
| TO FORM 990-PF, PG 1, LN 16C | 24,297.                      | 22,352.                           |                               | 1,945.                        |

| FORM 990-PF  | TAXES                        |                                   |                               | STATEMENT 7                   |
|--|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION  | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| FOREIGN TAXES - DEUTSCHE<br>BANK                       | 496.                         | 496.                              |                               | 0.                            |
| PRODUCTION TAXES -<br>DEUTSCHE BANK                    | 202.                         | 202.                              |                               | 0.                            |
| FEDERAL TAXES  | 4,600.                       | 0.                                |                               | 0.                            |
| STATE TAXES  | 500.                         | 0.                                |                               | 0.                            |
| FOREIGN TAXES - GLOBAL<br>EQUITY FUND K-1              | 32.                          | 32.                               |                               | 0.                            |
| FOREIGN TAXES - GLOBAL<br>BOND FUND K-1                | 2.                           | 2.                                |                               | 0.                            |
| FOREIGN TAXES -<br>INTERNATIONAL EQUITY FUND<br>II K-1 | 51.                          | 51.                               |                               | 0.                            |
| TO FORM 990-PF, PG 1, LN 18                            | 5,883.                       | 783.                              |                               | 0.                            |

| FORM 990-PF                         | OTHER EXPENSES               |                                   |                               | STATEMENT 8                   |
|-------------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION                         | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| STATE OF MINNESOTA                  | 25.                          | 0.                                |                               | 25.                           |
| DELIVERY CHARGES                    | 29.                          | 0.                                |                               | 0.                            |
| ROYALTY EXPENSES - DEUTSCHE<br>BANK | 36.                          | 36.                               |                               | 0.                            |
| MISCELLANEOUS - ENBRIDGE<br>ENERGY  | 12.                          | 0.                                |                               | 0.                            |

|   |               |                |            |
|---|---------------|----------------|------------|
| MISCELLANEOUS - ALLIANCE RESOURCE K-1                           | 83.           | 0.             | 0.         |
| MISCELLANEOUS - TAXABLE BOND FUND K-1                           | 228.          | 228.           | 0.         |
| MISCELLANEOUS - GLOBAL EQUITY FUND K-1                          | 182.          | 182.           | 0.         |
| MISCELLANEOUS - U.S. ALL CAP EQUITY FUND K-1                    | 84.           | 84.            | 0.         |
| MISCELLANEOUS - GLOBAL BOND FUND K-1                            | 235.          | 235.           | 0.         |
| MISCELLANEOUS - INTERNATIONAL EQUITY FUND II K-1                | 66.           | 66.            | 0.         |
| ROYALTY EXPENSES - DORCHESTER MINERALS                          | 146.          | 146.           | 0.         |
| MISCELLANEOUS - PVR K-1 FROM SARAH STEVENS MACMILLAN FOUNDATION | 4.<br>0.      | 0.<br>16,167.  | 0.<br>15.  |
| <b>TO FORM 990-PF, PG 1, LN 23</b>                              | <b>1,130.</b> | <b>17,144.</b> | <b>40.</b> |

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 9

| DESCRIPTION  | AMOUNT            |
|--|-------------------|
| DEPLETION DORCHESTER MINERALS, LP                          | 1,416.            |
| ASSETS TRANSFERRED FROM SARAH STEVENS MACMILLAN FOUNDATION | 1,022,884.        |
| ADJUST ASSETS TO TAX BASIS ON BALANCE SHEET                | 13,089.           |
| <b>TOTAL TO FORM 990-PF, PART III, LINE 3</b>              | <b>1,037,389.</b> |

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

| DESCRIPTION              | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|--------------------------|------------|-------------|------------|-------------------|
| ESSEX NJ AUTH REV        |            | X           | 35,000.    | 21,000.           |
| HEART OF ILL DIST REV    |            | X           | 30,000.    | 30,985.           |
| LASALLE CNTY TX FAC REV  |            | X           | 35,000.    | 33,416.           |
| LAKE WALES FL FAC REV    |            | X           | 23,500.    | 24,920.           |
| MASSACHUSETTS ST DEV REV |            | X           | 0.         | 0.                |
| NH ST BUSINESS FIN AUTH  |            | X           | 55,000.    | 42,931.           |
| NEW JERSEY ECON REV      |            | X           | 25,000.    | 26,355.           |

MARLU FOUNDATION

41-1850047

|  |   |          |          |
|--|---|----------|----------|
| PINELLAS FL HLTH FACS REV                        | X | 30,000.  | 30,379.  |
| BAY CNTY MI SCH CTFS                             | X | 16,025.  | 16,396.  |
| NEW JERSEY ECON DEV REV                          | X | 0.       | 0.       |
| GODFREY IL                                       | X | 20,000.  | 20,050.  |
| UMATILLA FL REVENUE                              | X | 30,000.  | 29,891.  |
| <hr/>  |   |          |          |
| TOTAL U.S. GOVERNMENT OBLIGATIONS                |   |          |          |
| <hr/>  |   |          |          |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS |   | 299,525. | 276,323. |
| <hr/>  |   |          |          |
| TOTAL TO FORM 990-PF, PART II, LINE 10A          |   | 299,525. | 276,323. |
| <hr/> <hr/>                                      |   |          |          |

FORM 990-PF CORPORATE STOCK STATEMENT 11

| DESCRIPTION               | BOOK VALUE | FAIR MARKET VALUE |
|---------------------------|------------|-------------------|
| ABBOTT LABORATORIES       | 0.         | 0.                |
| ALLIANCE RES PARTNERS     | 41,510.    | 55,736.           |
| BRISTOL MYERS SQUIBB      | 0.         | 0.                |
| BAYTEX ENERGY             | 33,490.    | 42,591.           |
| CINN FINANCIAL            | 0.         | 0.                |
| CONOCO PHILLIPS           | 54,946.    | 63,499.           |
| CANADIAN OIL SANDS TR     | 61,477.    | 65,598.           |
| CHEVRON                   | 0.         | 0.                |
| DU PONT E.I. DE NEMOURS   | 66,908.    | 76,014.           |
| GENUINE PARTS             | 0.         | 0.                |
| HJ HEINZ                  | 37,265.    | 52,777.           |
| KIMBERLY CLARK            | 0.         | 0.                |
| LEGGETT & PLATT           | 43,568.    | 53,487.           |
| LOCKHEED MARTIN           | 56,061.    | 64,603.           |
| NEW YORK COMNTY BANCORP   | 17.        | 13.               |
| RAYONIER                  | 8,457.     | 13,994.           |
| SAN JUAN BASIN ROYALTY TR | 0.         | 0.                |
| SONOCO PROD               | 69,189.    | 76,257.           |
| A T & T                   | 62,001.    | 63,880.           |
| UNILEVER PLC              | 19,866.    | 28,266.           |
| ENDURO ROYALTY TRUST      | 48,539.    | 43,350.           |
| CONAGRA                   | 27,314.    | 35,105.           |
| CINEMARK HOLDINGS         | 42,825.    | 54,818.           |
| ENBRIDGE ENERGY           | 25,397.    | 25,389.           |
| FREEMPORT MCMORAN COPPER  | 19,262.    | 18,126.           |
| FEDERATED INVS PA CL B    | 0.         | 0.                |
| F N B CORP                | 62,685.    | 62,977.           |
| HOSPITALITY PPTYS         | 66,220.    | 66,162.           |
| INTEL CORP                | 77,425.    | 74,438.           |
| MEREDITH                  | 56,528.    | 64,766.           |
| MERCK & CO                | 98,151.    | 105,625.          |
| NATIONAL CINEMEDIA        | 43,185.    | 43,097.           |
| RPM INTL                  | 27,029.    | 35,379.           |
| VALLEY NATIONAL BANCORP   | 0.         | 0.                |

|  |                   |                   |
|--|-------------------|-------------------|
| NUCOR  | 53,884.           | 64,308.           |
| GALLAGHER ARTHUR J & CO                        | 30,483.           | 34,477.           |
| DIEBOLD INC                                    | 20,439.           | 21,427.           |
| EATON CORP                                     | 37,332.           | 39,010.           |
| GRIEF INC                                      | 21,524.           | 21,583.           |
| HASBRO INC                                     | 64,554.           | 63,543.           |
| MICROCHIP TECHNOLOGY INC                       | 20,423.           | 21,835.           |
| PEOPLES UNITED FINANCIAL                       | 64,286.           | 63,352.           |
| EXELIS INC                                     | 16,518.           | 17,694.           |
| GLAXOSMITHKLINE PLC                            | 67,106.           | 64,553.           |
| LYONDELLBASELL INDS                            | 46,129.           | 53,950.           |
| SEAGATE TECHNOLOGY                             | 61,950.           | 67,380.           |
| PVR PARTNERS                                   | 58,222.           | 67,288.           |
| PLUM CREEK TIMBER                              | 63,044.           | 65,002.           |
| H & R BLOCK                                    | 42,305.           | 44,847.           |
| <b>TOTAL TO FORM 990-PF, PART II, LINE 10B</b> | <b>1,817,514.</b> | <b>1,996,196.</b> |

FORM 990-PF CORPORATE BONDS STATEMENT 12

| DESCRIPTION                                    | BOOK VALUE      | FAIR MARKET VALUE |
|--|-----------------|-------------------|
| AFCO/QUANTEM SVCS                              | 75,000.         | 75,750.           |
| PVTPL ARAPAHOE CTY                             | 25,200.         | 28,745.           |
| RADIUS FINANCE LLC                             | 25,000.         | 25,000.           |
| SOUTHERN CORR SYSTEM                           | 45,000.         | 38,250.           |
| <b>TOTAL TO FORM 990-PF, PART II, LINE 10C</b> | <b>170,200.</b> | <b>167,745.</b>   |

FORM 990-PF OTHER INVESTMENTS STATEMENT 13

| DESCRIPTION                                   | VALUATION METHOD | BOOK VALUE    | FAIR MARKET VALUE |
|---|------------------|---------------|-------------------|
| DORCHESTER MINERALS                           | FMV              | 6,561.        | 132,274.          |
| OIL & GAS INTEREST                            | FMV              | 0.            | 2,000.            |
| <b>TOTAL TO FORM 990-PF, PART II, LINE 13</b> |                  | <b>6,561.</b> | <b>134,274.</b>   |

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FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS  
PART VII-A, LINE 10

STATEMENT 14

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NAME OF CONTRIBUTOR

ADDRESS

SARAH STEVENS MACMILLAN (DECEASED  
5/27/95)

P.O. BOX 5628  
MINNEAPOLIS, MN 55440

FORM 990-PF

EXPENDITURE RESPONSIBILITY STATEMENT  
PART VII-B, LINE 5C

STATEMENT 15

GRANTEE'S NAME

RONALD MACDONALD HOUSE TORONTO

GRANTEE'S ADDRESS

26 GERRARD ST E  
TORONTO, ONTARIO, CANADA, M5B 1G3

| <u>GRANT AMOUNT</u> | <u>DATE OF GRANT</u> | <u>AMOUNT EXPENDED</u> | <u>VERIFICATION DATE</u> |
|---------------------|----------------------|------------------------|--------------------------|
| 100,000.            | 07/26/10             | 40,000.                | 07/10/12                 |

PURPOSE OF GRANT

SUPPORT CONSTRUCTION OF THE NEW RONALD MCDONALD HOUSE TORONTO.

DATES OF REPORTS BY GRANTEE

03/08/12, 7/10/12

ANY DIVERSION BY GRANTEE

NO DIVERSION BY GRANTEE

RESULTS OF VERIFICATION

NO DIVERSION BY GRANTEE

FORM 990-PF

PART XV - LINE 1A  
LIST OF FOUNDATION MANAGERS

STATEMENT 16

NAME OF MANAGER

LUCY STITZER  
MARK STITZER

MARLU FOUNDATION

EIN 41-1850047

2012 990 PF

STATEMENT REGARDING TRANSFERS RECEIVED AS A SUCCESSOR FOUNDATION

In accordance with IRC 507(b)(2), all of the Directors and Members of the Sarah Stevens MacMillan Foundation approved a Plan of Merger that resulted in the assets of the Sarah Stevens MacMillan Foundation being divided into four equal shares with one share being transferred to (or merged with) each of the following existing Section 501(c)3 private foundations (all of which are organized and operated exclusively for charitable, scientific, religious, literary, educational purposes within the meaning of sections 170(c)(2), 501(c)(3) and 2055(a) of the Internal Revenue Code and all of which are effectively controlled by the same people who effectively control the transferor foundation):

- Marlu Foundation, a Minnesota Non-profit Corporation;
- HJ Promise Foundation, a Delaware Non-profit Corporation;
- Katherine Wells MacMillan Foundation, a Minnesota Non-profit Corporation;
- and
- The Three Sisters Foundation, a Minnesota Non-profit Corporation.

IRC 507(b)(2) of the Code provides that in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization, the transferee foundation shall not be treated as a newly created organization and the tax attributes and characteristics of those assets carry over to the transferee.

This transferee private foundation received one-fourth of the assets of said transferor private foundation, and pursuant to Reg. 1.507-3(a), succeeded to one-fourth of the tax attributes of the transferor private foundation, including but not limited to, the previous payment by the (EIN 41-1830212) of the tax on net investment income applicable to calendar year 2012 (which included \$1,599 of 2011 overpayment credited to 2012), the history to determine the reduced 1% tax rate, the minimum distribution requirement, and income and expenses.

Sarah S. MacMillan Foundation  
Allocation of Tax Return History to Successor Foundations

Allocation of History to determine 1% tax rate

| Sarah Stevens MacMillan Foundation- Transferor |   | Amounts Transferred to Successor Foundations |                                |           |  |           |                                      |           |   |           |
|--|---|--|--------------------------------|-----------|--|-----------|--------------------------------------|-----------|---|-----------|
| Base Period<br>Years                           | Adjusted<br>Qualifying<br>Distributions | Net Value<br>Noncharitable-Use<br>Assets     | Marlu Foundation<br>41-1850047 |           | The Three Sisters Foundation<br>46-0575702 |           | H J Promise Foundation<br>26-2252708 |           | Katherine Wells Macmillan FDN<br>41-2000877 |           |
|  |   |  | Distributions                  | Assets    | Distributions                              | Assets    | Distributions                        | Assets    | Distributions                               | Assets    |
| 2011   | 282,290                                 | 5,902,273                                    | 70,572                         | 1,475,568 | 70,572                                     | 1,475,568 | 70,573                               | 1,475,568 | 70,573                                      | 1,475,569 |
| 2010   | 281,743                                 | 5,743,891                                    | 70,436                         | 1,435,973 | 70,436                                     | 1,435,973 | 70,435                               | 1,435,973 | 70,436                                      | 1,435,972 |
| 2009   | 300,177                                 | 5,265,349                                    | 75,045                         | 1,316,337 | 75,044                                     | 1,316,337 | 75,044                               | 1,316,337 | 75,044                                      | 1,316,338 |
| 2008   | 359,483                                 | 6,265,949                                    | 89,871                         | 1,566,487 | 89,871                                     | 1,566,487 | 89,871                               | 1,566,487 | 89,870                                      | 1,566,488 |
| 2007   | 330,000                                 | 7,454,147                                    | 82,500                         | 1,863,537 | 82,500                                     | 1,863,537 | 82,500                               | 1,863,537 | 82,500                                      | 1,863,536 |

| Year | Undistributed<br>Income | The Three Sisters Foundation |                              | H J Promise Foundation |                        | Katherine Wells MacMillan Foundation |                                      |
|------|-------------------------|------------------------------|------------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
|      |                         | Marlu Foundation             | The Three Sisters Foundation | Marlu Foundation       | H J Promise Foundation | Katherine Wells MacMillan Foundation | Katherine Wells MacMillan Foundation |
| 2011 | 267,027                 | 66,757                       | 66,757                       | 66,756                 | 66,757                 | 66,757                               | 66,757                               |

| Year | Tax Payments | The Three Sisters Foundation |                              | H J Promise Foundation |                        | Katherine Wells MacMillan Foundation |                                      |
|------|--------------|------------------------------|------------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
|      |              | Marlu Foundation             | The Three Sisters Foundation | Marlu Foundation       | H J Promise Foundation | Katherine Wells MacMillan Foundation | Katherine Wells MacMillan Foundation |
| 2012 | 6395         | 1,599                        | 1,598                        | 1,599                  | 1,599                  | 1,599                                | 1,599                                |

|                     |      |     |     |     |     |     |     |
|---------------------|------|-----|-----|-----|-----|-----|-----|
| Overpayment Applied | 2895 | 724 | 723 | 724 | 724 | 724 | 724 |
| 4th Qtr Est         | 3500 | 875 | 875 | 875 | 875 | 875 | 875 |

Sarah Stevens MacMillan Foundation  
 Allocation of income and expenses to Successor Foundations  
 01/01/12 through date of transfer

| <u>Description</u>                                      | <u>Books</u>   | <u>Net Investment Income</u> | <u>Disbursements For Charitable Purposes</u> | <u>Amount to Each Successor Foundation</u> |  |
|---|----------------|------------------------------|--|--|--|
|   |                |                              |  | <u>Net Investment Income</u>               | <u>Disbursements For Charitable Purposes</u> |
| Interest on Savings & Temp Investments                  | 23             | 23                           |  | 6  |  |
| Dividends and Interest From Securities                  | 146,950        | 146,950                      |  | 36,738                                     |  |
| Net Gain from the sale of assets                        | 6,689          | 6,689                        |  | 1,672                                      |  |
| Other Income  | 23,861         | 23,861                       |  | 5,965                                      |  |
| <b>Total Income</b>                                     | <b>177,523</b> | <b>177,523</b>               |  | <b>44,381</b>                              |  |
| Other Professional Fees                                 | 52,386         | 52,386                       | -  | 13,097                                     | -  |
| Interest  | 1,608          | 1,608                        | -  | 402  | -  |
| Taxes   | 7,996          | 3,496                        | -  | 874  | -  |
| Depletion   | 7,175          | 7,175                        | -  | 1,794                                      | -  |
| Other Expenses  | 60             | -                            | 60   | -  | 15   |
| <b>Total Expenses &amp; Disbursements</b>               | <b>69,225</b>  | <b>64,665</b>                | <b>60</b>                                    | <b>16,167</b>                              | <b>15</b>                                    |
| <b>Excess Revenue over Expenses &amp; Disbursements</b> | <b>108,298</b> |                              |  |  |  |
| <b>Net Investment Income</b>                            |                | <b>112,858</b>               |  | <b>28,214</b>                              |  |