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

OMB No 1545-0052

2012Form **990-PF**Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning

and ending

Name of foundation MARGARET RIVERS FUND		A Employer identification number 41-6017102
Number and street (or P.O. box number if mail is not delivered to street address) P O BOX 197		B Telephone number (see instructions) 651-430-3935
City or town, state, and ZIP code STILLWATER MN 55082		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 27,751,514	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
SCANNED Revenue 5 2013	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	152,535	152,535	152,535	
	4 Dividends and interest from securities	538,830	538,830	538,830	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	1,453,596			
	b Gross sales price for all assets on line 6a 10,743,665				
	7 Capital gain net income (from Part IV, line 2)		8,940		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) Stmt 2	9,833		9,833	
	12 Total. Add lines 1 through 11	2,154,794	700,305	701,198	
	13 Compensation of officers, directors, trustees, etc	28,800	14,400	14,400	14,400
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 3	5,400	2,700	2,700	2,700
	c Other professional fees (attach schedule) Stmt 4	63,636	31,818	31,818	31,818
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 5	31,464	15,732	15,732	15,732
	19 Depreciation (attach schedule) and depletion Stmt 6	39			
	20 Occupancy	6,612	3,306	3,306	3,306
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch) Stmt 7	1,695	846	849	849
	24 Total operating and administrative expenses. Add lines 13 through 23	137,646	68,802	68,805	68,805
	25 Contributions, gifts, grants paid	1,704,300			1,704,300
	26 Total expenses and disbursements. Add lines 24 and 25	1,841,946	68,802	68,805	1,773,105
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	312,848			
	b Net investment income (if negative, enter -0-)		631,503		
	c Adjusted net income (if negative, enter -0-)			632,393	

For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2012)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing	41,311	119,350	119,350
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶	8,891	13,406	13,406
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule) Stmt 8	3,218,316	1,779,498	1,926,718
	b	Investments – corporate stock (attach schedule) See Stmt 9	12,424,082	11,223,840	16,126,520
	c	Investments – corporate bonds (attach schedule) See Stmt 10	5,492,039	6,262,106	6,273,258
	11	Investments – land, buildings, and equipment basis ▶			
Liabilities		Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶ Stmt 11	73	34	7,234
	15	Other assets (describe ▶ See Statement 12)	1,388,500	3,487,826	3,285,028
	16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	22,573,212	22,886,060	27,751,514
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	22,573,212	22,886,060	
	30	Total net assets or fund balances (see instructions)	22,573,212	22,886,060	
	31	Total liabilities and net assets/fund balances (see instructions)	22,573,212	22,886,060	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	22,573,212
2	Enter amount from Part I, line 27a	2	312,848
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	22,886,060
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	22,886,060

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a Capital Gain Distribution				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 8,940			8,940	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a			8,940	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)			2	8,940
If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7				
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8				

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	1,824,867	27,079,264	0.067390
2010	1,888,663	27,612,742	0.068398
2009	1,952,538	25,273,543	0.077256
2008	2,093,615	28,905,137	0.072431
2007	2,113,446	33,711,746	0.062692
2 Total of line 1, column (d)			2 0.348167
3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.069633
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 26,603,950
5 Multiply line 4 by line 3			5 1,852,513
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 6,315
7 Add lines 5 and 6			7 1,858,828
8 Enter qualifying distributions from Part XII, line 4			8 1,773,105

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	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	12,630
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	12,630
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	12,630
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	18,760
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	18,760
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	2
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	6,128
11	Enter the amount of line 10 to be Credited to 2013 estimated tax 6,128 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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 (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 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 • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? 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) MN		
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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► LAWRENCE SEVERSON P O BOX 197 Located at ► STILLWATER MN ZIP+4 ► 55082 Telephone no ► 651-430-3935			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 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 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 ► <input type="checkbox"/> N/A	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? N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012) 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)

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A</p>	<p>5b</p>
<p>c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</p>	
<p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes" to 6b, file Form 8870</p>	<p>6b X</p>
<p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A</p>	<p>7b</p>

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
LAWRENCE SEVERSON 5995 OREN AVENUE NORTH STE 103 MN 55082	PRES/SECR 8.00	9,000	0	0
JEAN BARRY 5995 OREN AVENUE NORTH STE 103 MN 55082	VP/TREASURER 4.00	6,600	0	0
DAVID POHL 5995 OREN AVENUE NORTH STE 103 MN 55082	DIRECTOR 4.00	6,600	0	0
ROBERT BRIGGS 5995 OREN AVENUE NORTH STE 103 MN 55082	DIRECTOR 4.00	6,600	0	0

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 TO SUPPORT QUALIFIED CHARITABLE ORGANIZATIONS WHOSE GOALS ARE TO IMPROVE HUMAN SERVICES. DONATIONS TO 35 ORGANIZATIONS.	761,300
2 TO SUPPORT QUALIFIED CHARITABLE ORGANIZATIONS WHOSE GOAL IS TO IMPROVE PUBLIC AND SOCIAL SERVICES. DONATIONS TO 36 ORGANIZATIONS.	418,000
3 TO SUPPORT QUALIFIED CHARITABLE ORGANIZATIONS WHOSE GOALS ARE TO IMPROVE EDUCATION. DONATIONS TO 23 ORGANIZATIONS.	221,500
4 TO SUPPORT QUALIFIED CHARITABLE ORGANIZATIONS WHOSE GOALS ARE TO IMPROVE ART AND CULTURE. DONATIONS TO 24 ORGANIZATIONS.	140,500

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	26,919,830
b	Average of monthly cash balances	1b	80,331
c	Fair market value of all other assets (see instructions)	1c	8,925
d	Total (add lines 1a, b, and c)	1d	27,009,086
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	27,009,086
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	405,136
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,603,950
6	Minimum investment return. Enter 5% of line 5	6	1,330,198

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

1	Minimum investment return from Part X, line 6	1	1,330,198
2a	Tax on investment income for 2012 from Part VI, line 5	2a	12,630
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	12,630
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,317,568
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,317,568
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,317,568

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. – total from Part I, column (d), line 26	1a	1,773,105
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,773,105
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,773,105

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				1,317,568
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007	444,067			
b From 2008	665,087			
c From 2009	705,557			
d From 2010	525,254			
e From 2011	489,636			
f Total of lines 3a through e	2,829,601			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 1,773,105				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				1,317,568
e Remaining amount distributed out of corpus	455,537			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	3,285,138			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	444,067			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	2,841,071			
10 Analysis of line 9				
a Excess from 2008	665,087			
b Excess from 2009	705,557			
c Excess from 2010	525,254			
d Excess from 2011	489,636			
e Excess from 2012	455,537			

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

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

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

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

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

1 Information Regarding Foundation Managers:

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

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

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed
LAWRENCE SEVERSON 651-430-3935
P.O. BOX 197 STILLWATER MN 55082

b The form in which applications should be submitted and information and materials they should include
See Statement 13

c Any submission deadlines
N/A

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE ATTACHED STATEMENT	NONE	PUBLIC	VARIOUS	1,704,300
Total			► 3a	1,704,300
b Approved for future payment N/A				
Total			► 3b	

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

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?	Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule

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

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

**Sign
Here**

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes

☐ Yes ☐ No

Signature of officer or trustee

Date _____

PRESIDENT
Title

**Paid
Preparer
Use Only**

Pnnt/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

JAMES M. HONSVALL

04/30/13

Firm's name ▶ **James M Honsvall, LTD**

PTIN	P01321068
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Firm's address ▶ 1815 Northwestern Ave S
Stillwater, MN 55082-7534

Firm's EIN ▶	
Phone no	651-439-4424

Form **990-PF** (2012)

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description		How		Date	Date	Cost	Expense	Depreciation	Net
		Whom	Received	Acquired	Sold				
US TRUST BANK OF AMERICA	Various	US TRUST BANK OF AMERICA	Purchase	Various	Various	1,493,142	\$	\$	11,794
US TRUST BANK OF AMERICA-WASH SALES	Various	US TRUST BANK OF AMERICA	Purchase	Various	Various	23,446			-1,220
US TRUST BANK OF AMERICA	Various	US TRUST BANK OF AMERICA	Purchase	Various	Various	627,338			-3,333
-- STATEMENT AVAILABLE --	--	--	--	--	--				
US TRUST BANK OF AMERICA	Various	US TRUST BANK OF AMERICA	Purchase	Various	Various	897,397			133,119
US TRUST BANK OF AMERICA	Various	US TRUST BANK OF AMERICA	Purchase	Various	Various	6,248,746			1,304,296
-- STATEMENT AVAILABLE --	--	--	--	--	--				
Total						\$ 10,734,725	\$ 9,290,069	\$ 0	\$ 1,444,656

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	\$ 9,833	\$	\$ 9,833
Total	\$ 9,833	\$ 0	\$ 9,833

Federal Statements

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Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	\$ 5,400	\$ 2,700	\$ 2,700	\$ 2,700
Total	\$ 5,400	\$ 2,700	\$ 2,700	\$ 2,700

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MANAGEMENT	\$ 63,636	\$ 31,818	\$ 31,818	\$ 31,818
Total	\$ 63,636	\$ 31,818	\$ 31,818	\$ 31,818

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FEDERAL INCOME TAX	\$ 20,252	\$ 10,126	\$ 10,126	\$ 10,126
FOREIGN INCOME TAX	11,212	5,606	5,606	5,606
Total	\$ 31,464	\$ 15,732	\$ 15,732	\$ 15,732

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
8/15/98	COPIER	\$ 1,989	\$ 1,989	S/L	7	\$	\$	\$
6/30/95	FURNITURE & FIXTURES	1,706	1,706	S/L	7			
7/01/00	FURNITURE & FIXTURES	450	450	S/L	7			

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
CONFERENCE CHAIR & 8 CHAIRS 8/28/01	\$ 1,500	\$ 1,500	200DB	7	\$	\$	\$
CANON COPIER 12/03/01	884	884	200DB	7			
PRINTER 11/20/08	705	632	200DB	5	39		
Total	\$ 7,234	\$ 7,161			\$ 39	\$ 0	\$ 0

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
OFFICE EXPENSE	359	179	180	180
TELEPHONE	829	414	415	415
INSURANCE	426	213	213	213
MISCELLANEOUS	81	40	41	41
Total	\$ 1,695	\$ 846	\$ 849	\$ 849

Federal Statements

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Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
US GOVERNMENT OBLIGATIONS	\$ 3,218,316	\$ 1,779,498	Cost	\$ 1,926,718
Total	\$ 3,218,316	\$ 1,779,498		\$ 1,926,718

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORPORATE STOCKS	\$ 12,424,082	\$ 11,223,840	Cost	\$ 16,126,520
Total	\$ 12,424,082	\$ 11,223,840		\$ 16,126,520

Statement 10 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CASH EQUIVALENTS	\$ 1,734,488	\$ 1,299,460	Cost	\$ 1,299,467
CORPORATE BONDS	3,757,551	4,962,646	Cost	4,973,791
Total	\$ 5,492,039	\$ 6,262,106		\$ 6,273,258

Statement 11 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	\$ 73	\$ 7,234	\$ 7,200	\$ 7,234
Total	\$ 73	\$ 7,234	\$ 7,200	\$ 7,234

Federal Statements**Statement 12 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
HEDGE FUNDS	\$	\$ 2,000,000	\$ 2,010,959
REAL ESTATE INVESTMENT TRUSTS (REIT)	213,500	312,826	344,605
TANGIBLE ASSETS	1,175,000	1,175,000	929,464
Total	\$ 1,388,500	\$ 3,487,826	\$ 3,285,028

Statement 13 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description**

APPLICATIONS SHOULD BE SUBMITTED IN LETTER FORM. THEY SHOULD INCLUDE THE CHARITY'S NAME, ADDRESS AND FEDERAL I.D. NUMBER AND A WRITTEN DESCRIPTION OF THE CHARITY AND ITS INTENDED USE OF THE GRANT.

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2012Attachment
Sequence No **179**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

MARGARET RIVERS FUND

Identifying number

41-6017102

Business or activity to which this form relates

Indirect Depreciation**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	139,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	560,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	39
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	39
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2012)

DAA

There are no amounts for Page 2

Margaret Rivers Fund							
As of December 31, 2012							
	Category	2012					
Voided Checks-Redeposited		0					
TOTALS		\$ 1,704,300					
* Explanation of Donations.		# of Org's	Most \$'s to Smallest	Per Excel Spread sheet	Peach Tree	Differences	
1 = Human Service		✓35	✓1	✓761,300	761,300	-	
2 = Art and Culture		✓24	✓4	✓140,500	140,500	-	
3 = Health		② 23	5	① 120,000	120,000	-	
4 = Education		✓23	✓3	✓221,500	221,500	-	
5 = Public and Social		✓36	✓2	✓418,000	418,000	-	
6 = Environmental		② 6	6	① 43,000	43,000	-	
		147		1,704,300	1,704,300		
Enter Balances from Peach Tree Ex; Enter Balances from Peach Tree Expense Accounts for each Contribution Expense Category each Contribution Expense Category							

Σ of ① = \$163,000

Σ of ② = 29 orgs

* Folder "990-PF" tab "Supp"

5.45

4-01-1-

Schedule of Grant-

