Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

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

Name of foundation: Paul Hoghaug Scholarship Fund

A Employer identification number: 45-6014582

Number and street (or P.O box number if mail is not delivered to street address): PO Box 160 | Room/suite:

B Telephone number (see instructions): 701-662-5547

City or town, state, and ZIP code: Devils Lake ND 58301-0160

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

H Check type of organization. ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 92,845.

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instr))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc, received (attach schedule)	280.			
2	Check ▶ ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temp cash investments				
4	Dividends and interest from securities	2,339.	2,339.	2,339.	
5a	Gross rents				
b	(Net rental income or (loss)				
6a	Net gain/(loss) from sale of assets not on line 10	971.			
b	Gross sales price for all assets on line 6a 4,822.				
7	Capital gain net income (from Part IV, line 2)		971.		
8	Net short-term capital gain			50.	
9	Income modifications				
10a	Gross sales less rtns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	3,590.	3,310.	2,389.	
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions)	55.	55.	55.	
19	Depreciation (attach sch) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	**Total operating and administrative expenses** Add lines 13 through 23	55.	55.	55.	
25	Contributions, gifts, grants paid	3,963.			3,963.
26	Total exp & disbursements Add lines 24 and 25	4,018.	55.	55.	3,963.
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	(428.)			
b	**Net investment income** (if neg, enter -0-)		3,255.		
c	**Adjusted net income** (if neg, enter -0-)			2,334.	

Revenue

Operating and Administrative Expenses

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,828.	5,066.	5,066.
	3 Accounts receivable ▶ 84.			
	Less allowance for doubtful accts ▶	100.	84.	84.
	4 Pledges receivable ▶			
	Less. allowance for doubtful accts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state govt obligations (attach schedule)	31,468.	33,668.	35,492.
	b Investments - corporate stock (attach schedule)	47,888.	44,036.	52,203.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	83,284.	82,854.	92,845.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, ck. here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	83,284.	82,854.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	83,284.	82,854.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	83,284.	82,854.	

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	83,284.
2 Enter amount from Part I, line 27a	2	(428.)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	82,856.
5 Decreases not included in line 2 (itemize) ▶ Rounding	5	2.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	82,854.

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)
1 a	Schedule attached	p	09/26/2003	12/27/2012
b	Vanguard Total Bond Fund	p	01/03/2012	12/26/2012
c	Vanguard Total Bond Fund	p	01/03/2011	12/26/2012
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	4,700.		3,851.	849.
b	50.			50.
c	72.			72.
d				
e				

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

	(i) F.M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				849.
b				50.
c				72.
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } — **2** — 971.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c) (see instructions)
If (loss), enter -0- in Part I, line 8 — **3** — 50.

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 beg in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	3,555.	80,274.	0.0443
2010	3,252.	72,069.	0.0451
2009	3,673.	65,563.	0.0560
2008	4,110.	74,689.	0.0550
2007	3,889.	83,551.	0.0465

2	**Total** of line 1, column (d)	2	0.2469
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	0.0494
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	90,145.
5	Multiply line 4 by line 3	5	4,453.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	33.
7	Add lines 5 and 6	7	4,486.
8	Enter qualifying distributions from Part XII, line 4	8	3,963.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ______ (attach copy of letter if necessary - see instr)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	65.
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	65.
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	65.
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	65.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ ND			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶

14 The books are in care of ▶ Ramsey National Bank Telephone no ▶ 701-662-5547
Located at ▶ 300 4th Street Devil ND DEVILS LAKE ZIP+4 ▶ 58301-

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☒ Yes ☐ No			
	If "Yes," list the years ▶ 20 11 , 20 __ , 20 __ , 20 __			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see the instructions)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 __ , 20 __ , 20 __ , 20 __			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)	3b		
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)

			Yes	No
5a	During the year did the foundation pay or incur any amount to.			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☒ Yes ☐ No			
	(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see the instructions)?	5b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (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 comp	(e) Expense account, other allowances
Ramsey National Bank PO Box 160, Devils Lake, ND	Trustee 1	0		
Brigitte Freschette Devils Lake, ND	Com Member	0		
James Travers Devils Lake, ND	Com Member	0		
Ryan Hanson Devils Lake, ND	Com Member	0		

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

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

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

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

3 Five highest-paid independent contractors for professional services (see the 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 info such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 Provide scholarships to college students from the Lake Region of North Dakota Three scholarships of 1321 were awarded in 2012	3,963.
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
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	88,121.
b	Average of monthly cash balances	1b	3,397.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	91,518.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	91,518.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,373.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	90,145.
6	**Minimum investment return.** Enter 5% of line 5.	6	4,507.

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	4,507.
2 a	Tax on investment income for 2012 from Part VI, line 5	2a	65.		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	65.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	4,442.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	4,442.
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	4,442.

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	3,963.
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	3,963.
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,963.

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				4,442.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			408.	
b Total for prior yrs 20___, 20___, 20___				
3 Excess distribs. carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 3,963.				
a Applied to 2011, but not more than line 2a			408.	
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				3,555.
e Remaining amt distributed out of corpus				
5 Excess distribs carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in col (a))				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, & 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				887.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9.				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

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			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
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		N/A			
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))

None

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

None

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

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

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

Karen Hausmann 701-662-5547 Box 160 Devils Lake ND 58301-0160

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

Applications are available at the location above

c Any submission deadlines

May 1st of each year

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

Students from the Devils Lake and Lake Region of North Dakota

Part XV Supplementary Information (continued)

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Daniel Nicla 1004 7th St NE 58301 ND DEVILS LAKE	None	None	Scholarship	1,321.
Ryan Hoffman 8452 Hwy 20 58352 ND MUNICH	None	None	Scholarship	1,321.
Josh Haugen 1024 3rd Ave 58324 ND CANDO	None	None	Scholarship	1,321.
Total ▶ 3a				3,963.
b Approved for future payment None				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Excl code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					2,339.
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					971.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					3,310.

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 3,310.

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

Karen Hausmann, TO | 04/23/2013 | Karen Hausmann

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Mark Fleming CPA	Mark Fleming, CPA	4/22/13		219475
Firm's name ▶ Ramsey Natl Bank			Firm's EIN ▶ 45-0183848	
Firm's address ▶ Box 160 Devils Lake, ND 58301			Phone no 701-665-2518	

For the Account of: *PAUL HOGHAUG SCHOLARSHIP TRUST*
Account Number: *23 00 0955 0 09*
Report Date: *April 22, 2013*

For the 12 Month(s) Ended 12/31/2012

Schedule of Assets

Asset Type	Shares Or Face	Investment Cost Basis	Unit Price	Current Market Value	Value As Of 01/01/2012 or Acquisition	Change in Value since 01/01/2012	Estimated Accrued Income
TOTAL CASH		**0.00**		**0.00**	**0.00**		
CASH EQUIVALENTS							
MISC CASH EQUIV-TAX EXEMPT							
FED MUN OBLIG FD #852 INCOME	2,199 4800	2,199 48	1 000	2,199 48	2,199 48	0 00	0 07
FED MUN OBLIG FD #852 PRINCIPAL	2,866 6200	2,866 62	1 000	2,866 62	2,866 62	0 00	0 02
TOTAL MISC CASH EQUIV-TAX EXEMPT		**5,066.10**		**5,066.10**	**5,066.10**	**0.00**	**0.09**
TOTAL CASH EQUIVALENTS		**5,066.10**		**5,066.10**	**5,066.10**	**0.00**	**0.09**
MUTUAL FUNDS							
STOCK FUNDS							
HARBOR INTERNATIONAL FD #11	73 6660	2,762 63	62 120	4,576 13	3,863 78	712 35	0 00
VANGUARD TOTAL INTL STK#1769 SIGNAL SHARES	157 3150	4,300 00	30 050	4,727 32	4,121 65	605 67	0 00
VANGUARD EQUITY INC FD #565 ADMIRAL SHARES	208 6520	10,172 02	50 620	10,561 96	10,607 92	-45 96	0 00
VANGUARD SMALL-CAP IDX #1345 SIGNAL SHARES	132 8570	2,942 07	34 920	4,639 37	3,996 34	643 03	0 00
VANGUARD MID-CAP INDEX #1344 SIGNAL SHARES	142 0900	2,697 09	32 180	4,572 46	3,996 99	575 47	0 00
VANGUARD GROWTH INDEX #1347 SIGNAL SHARES	271 7840	7,513 35	33 930	9,221 63	8,001 32	1,220 31	0 00
VANGUARD 500 INDEX FD #1340 SIGNAL SHARES	128 1240	13,648 90	108 520	13,904 02	12,255 06	1,648 96	0 00
TOTAL STOCK FUNDS		**44,036.06**		**52,202.89**	**46,843.06**	**5,359.83**	**0 00**
TAXABLE BOND FUNDS							
FED INCOME TR FD 36 (C) INSTL SHRS	869 4500	8,909 32	10 610	9,224 86	9,286 88	-62 02	18 70
VANGUARD TOTAL BOND FD #1351 SIGNAL SHARES	1,950 6880	19,986 18	11 090	21,633 13	21,468 38	164 75	41 29
VANGUARD HI-YLD CORP BD #529 ADMIRAL SHARES	758 4380	4,772 96	6 110	4,634 06	4,580 97	53 09	23 87
TOTAL TAXABLE BOND FUNDS		**33,668.46**		**35,492.05**	**35,336.23**	**155.82**	**83 86**
TOTAL MUTUAL FUNDS		**77,704.52**		**87,694.94**	**82,179 29**	**5,515.65**	**83.86**
TOTAL INVESTMENTS		**82,770.62**		**92,761.04**	**87,245.39**	**5,515.65**	**83.95**
CURRENT PERIOD ACCRUED INCOME		83.95		**83.95**			
TOTAL INVESTMENTS, ACCRUED INCOME & CASH		82,854.57		**92,844.99**			

For the Account of: *PAUL HOGHAUG SCHOLARSHIP TRUST*
Account Number: *23 00 0955 0 09*
Report Date: *April 22, 2013*

For the 12 Month(s) Ended 12/31/2011

Schedule of Assets

Asset Type	Shares Or Face	Investment Cost Basis	Unit Price	Current Market Value	Value As Of 01/01/2011 or Acquisition	Change in Value since 01/01/2011	Estimated Accrued Income
TOTAL CASH		**0.00**		**0.00**	**0.00**		
CASH EQUIVALENTS							
MISC CASH EQUIV-TAX EXEMPT							
FED MUN OBLIG FD #852 INCOME	2,027 9200	2,027 92	1 000	2,027 92	2,027 92	0 00	0 17
FED MUN OBLIG FD #852 PRINCIPAL	1,799 7100	1,799 71	1 000	1,799 71	1,799 71	0 00	0 18
TOTAL MISC CASH EQUIV-TAX EXEMPT		**3,827.63**		**3,827 63**	**3,827.63**	**0.00**	**0.35**
TOTAL CASH EQUIVALENTS		**3,827.63**		**3,827.63**	**3,827.63**	**0.00**	**0 35**
MUTUAL FUNDS							
STOCK FUNDS							
HARBOR INTERNATIONAL FD #11	81 7300	3,023 66	52 450	4,286 74	4,698 30	-411 56	0 00
VANGUARD TOTAL INTL STK#1769 SIGNAL SHARES	157 3150	4,300 00	26 200	4,121 65	4,778 98	-657 33	0 00
VANGUARD EQUITY INC FD #65 COM	478 9460	11,258 24	21 900	10,488 92	9,729 63	759 29	0 00
VANGUARD SMALL-CAP IDX #1345 SIGNAL SHARES	153 1590	3,359 31	30 080	4,607 02	4,707 71	-100 69	0 00
VANGUARD MID-CAP INDEX #1344 SIGNAL SHARES	157 7640	2,918 78	28 130	4,437 90	4,599 93	-162 03	0 00
VANGUARD GROWTH INDEX #1347 SIGNAL SHARES	295 5580	8,172 14	29 440	8,701 23	8,864 85	-163 62	0 00
VANGUARD 500 INDEX FD #1340 SIGNAL SHARES	139 2460	14,855 12	95 650	13,318 88	13,215 75	103 13	0 00
TOTAL STOCK FUNDS		**47,887.25**		**49,962.34**	**50,595 15**	**-632.81**	**0 00**
TAXABLE BOND FUNDS							
FED INCOME TR FD 36 (C) INSTL SHRS	775 1990	7,909 32	10 690	8,286 88	8,211 71	75 17	22 83
VANGUARD TOTAL BOND FD #1351 SIGNAL SHARES	1,842 5800	18,786 18	11 000	20,268 38	19,641 74	626 64	51 95
VANGUARD HIGH-YIELD CORP FD INVESTOR SHARES #29	758 4380	4,772 96	5 690	4,315 51	4,317 32	-1 81	25 22
TOTAL TAXABLE BOND FUNDS		**31,468.46**		**32,870 77**	**32,170.77**	**700.00**	**100.00**
TOTAL MUTUAL FUNDS		**79,355.71**		**82,833.11**	**82,765.92**	**67.19**	**100 00**
TOTAL INVESTMENTS		**83,183.34**		**86,660 74**	**86,593.55**	**67.19**	**100.35**
CURRENT PERIOD ACCRUED INCOME		100 35		**100 35**			
TOTAL INVESTMENTS, ACCRUED INCOME & CASH		83,283.69		**86,761 09**			

2012 Realized Capital Gains/Losses

Quantity	Security	Reg	Date Acquired	Date Sold	Sale Proceeds	Investment Cost Basis	Wash Sale Loss Disallowed	Gain/Loss
LONG-TERM TRANSACTIONS								
8.06	HARBOR INTERNATIONAL FD #11 411511306	0	09/26/03	12/27/12	500.00	261.03	0.00	238.97
19.80	VANGUARD EQUITY INC FD #565ADMIRAL SHARES 921921300	0	08/26/99	12/27/12	1,000.00	1,086.22	0.00	-86.22
20.30	VANGUARD SMALL-CAP IDX #1345SIGNAL SHARES 922908421	0	12/29/03	12/27/12	700.00	417.24	0.00	282.76
15.67	VANGUARD MID-CAP INDEX #1344SIGNAL SHARES 922908447	0	11/08/02	12/27/12	500.00	221.69	0.00	278.31
23.77	VANGUARD GROWTH INDEX #1347SIGNAL SHARES 922908470	0	12/27/06	12/27/12	800.00	658.79	0.00	141.21
11.12	VANGUARD 500 INDEX FD #1340SIGNAL SHARES 922908496	0	02/07/00	12/27/12	1,200.00	1,206.22	0.00	-6.22
Total LONG-TERM TRANSACTIONS					4,700.00	3,851.19	0.00	848.81
-Grand Total:					4,700.00	3,851.19	0.00	848.81