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 JUL 1, 2012 **, and ending** JUN 30, 2013

Name of foundation: FRESHWATER SOCIETY

A Employer identification number: 23-7007115

Number and street (or P O box number if mail is not delivered to street address): 2500 SHADYWOOD ROAD | Room/suite:

B Telephone number: 952-471-9773

City or town, state, and ZIP code: EXCELSIOR, MN 55331

C If exemption application is pending, check here ☐

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

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

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 1,004,181.

J Accounting method: ☐ Cash [X] 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 [X]

SCANNED NOV 25 2013

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	709,473.			
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	9,949.	9,949.	9,949.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<7,388.>			
	b Gross sales price for all assets on line 6a 335,109.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			2,672.	
	9 Income modifications				
	10a Gross sales less returns and allowances 196,008.				STATEMENT 1
	b Less Cost of goods sold 84,158.				
	c Gross profit or (loss)	111,850.		111,850.	
	11 Other income	105,432.	0.	105,432.	STATEMENT 2
	12 Total. Add lines 1 through 11	929,316.	9,949.	229,903.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	171,299.	0.	109,397.	61,902.
	14 Other employee salaries and wages	316,474.	0.	223,462.	93,012.
	15 Pension plans, employee benefits	53,242.	0.	39,277.	13,965.
	16a Legal fees				
	b Accounting fees STMT 3	39,808.	0.	0.	39,808.
	c Other professional fees STMT 4	115,725.	0.	112,620.	3,105.
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion	3,050.	0.	3,050.	
	20 Occupancy	21,600.	0.	17,112.	4,488.
	21 Travel, conferences, and meetings	39,785.	0.	20,081.	19,704.
	22 Printing and publications				
	23 Other expenses STMT 5	114,936.	0.	<295,096.>	410,032.
	24 **Total operating and administrative expenses** Add lines 13 through 23	875,919.	0.	229,903.	646,016.
	25 Contributions, gifts, grants paid	550.			550.
	26 **Total expenses and disbursements** Add lines 24 and 25	876,469.	0.	229,903.	646,566.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	52,847.			
	b **Net investment income** (if negative, enter -0-)		9,949.		
	c **Adjusted net income** (if negative, enter -0-)			0.	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1 Cash - non-interest-bearing				
2 Savings and temporary cash investments		234,994.	320,454.	320,454.
3 Accounts receivable ▶	1,877.			
Less: allowance for doubtful accounts ▶		1,204.	1,877.	1,877.
4 Pledges receivable ▶				
Less: allowance for doubtful accounts ▶		22,424.		
5 Grants receivable		25,090.	51,809.	51,809.
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		26,465.	25,165.	25,165.
9 Prepaid expenses and deferred charges		4,935.	4,636.	4,636.
10a Investments - U.S. and state government obligations				
b Investments - corporate stock	STMT 6	42,116.	44,888.	44,888.
c Investments - corporate bonds				
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other	STMT 7	538,644.	549,277.	549,277.
14 Land, buildings, and equipment: basis ▶	17,984.			
Less accumulated depreciation STMT 8 ▶	11,909.	9,125.	6,075.	6,075.
15 Other assets (describe ▶)				
16 **Total assets** (to be completed by all filers)		904,997.	1,004,181.	1,004,181.
Liabilities 17 Accounts payable and accrued expenses		43,446.	69,430.	
18 Grants payable				
19 Deferred revenue			9,205.	
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶)				
23 **Total liabilities** (add lines 17 through 22)		43,446.	78,635.	
Net Assets or Fund Balances **Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.** ▶ [X]				
24 Unrestricted		634,428.	748,954.	
25 Temporarily restricted		168,748.	118,217.	
26 Permanently restricted		58,375.	58,375.	
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ [ ]				
27 Capital stock, trust principal, or current funds				
28 Paid-in or capital surplus, or land, bldg., and equipment fund				
29 Retained earnings, accumulated income, endowment, or other funds				
30 **Total net assets or fund balances**		861,551.	925,546.	
31 **Total liabilities and net assets/fund balances**		904,997.	1,004,181.	

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	861,551.
2 Enter amount from Part I, line 27a	2	52,847.
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED GAIN ON INVESTMENTS	3	11,148.
4 Add lines 1, 2, and 3	4	925,546.
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	925,546.

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	PUBLICLY TRADED SECURITIES			
b	PUBLICLY TRADED SECURITIES			
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	272,524.		282,584.	<10,060.>
b	62,585.		59,913.	2,672.
c				
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				<10,060.>
b				2,672.
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	<7,388.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	2,672.

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	551,380.	688,385.	.800976
2010	758,457.	1,371,496.	.553014
2009	752,862.	6,562,207.	.114727
2008	678,396.	5,570,838.	.121776
2007	595,072.	5,719,479.	.104043

2 **Total** of line 1, column (d)	2	1.694536
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	.338907
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	791,931.
5 Multiply line 4 by line 3	5	268,391.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	99.
7 Add lines 5 and 6	7	268,490.
8 Enter qualifying distributions from Part XII, line 4	8	646,566.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	0.
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	0.
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	0.
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	0.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0.
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	N/A	
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities. SEE STATEMENT 9			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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*	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) STATEMENT 10 STMT 11	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 ▶ WWW.FRESHWATER.ORG

14 The books are in care of ▶ JOAN NEPHEW Telephone no. ▶ 763-219-1253
Located at ▶ 2150 THIRD AVE, ANOKA, MN ZIP+4 ▶ 55303

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X

See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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

5a During the year did the foundation pay or incur any amount to:
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | X (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? N/A | 7b |

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		161,088.	10,211.	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
DIANE LYNCH - 2150 THIRD AVE, STE 110, ANOKA, MN 55303	DEVELOPMENT DIRECTOR/SENIOR MANAGER 35.00	83,245.	5,616.	0.
PAT SWEENEY - 2150 THIRD AVE, STE 110, ANOKA, MN 55303	COMMUNICATIONS & RESEARCH DIRECTOR 41.00	71,411.	2,856.	0.
PEGGY KNAPP - 2150 THIRD AVE, STE 110, ANOKA, MN 55303	DIRECTOR OF PROGRAMS 40.00	60,985.	8,303.	0.
JEANNE PROK - 2150 THIRD AVE, STE 110, ANOKA, MN 55303	PROJECT COORDINATOR 41.00	53,348.	5,224.	0.

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

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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 SEE STATEMENT 13	582,047.
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)

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	587,402.
b	Average of monthly cash balances	1b	178,836.
c	Fair market value of all other assets	1c	37,753.
d	**Total** (add lines 1a, b, and c)	1d	803,991.
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	803,991.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	12,060.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	791,931.
6	**Minimum investment return.** Enter 5% of line 5	6	39,597.

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

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b		
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	

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	646,566.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	646,566.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	99.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	646,467.

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)

N/A

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years: _______ , _______ , _______				
3 Excess distributions 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: ▶ $				
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				
e Remaining amount distributed out of corpus				
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:**				
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 instr.				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7				
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)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶ 05/07/03

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

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0.	0.	68,575.	328,110.	396,685.
b 85% of line 2a	0.	0.	58,289.	278,894.	337,182.
c Qualifying distributions from Part XII, line 4 for each year listed	646,566.	551,463.	759,395.	757,440.	2,714,864.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	646,566.	551,463.	759,395.	757,440.	2,714,864.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter: (1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	26,398.	22,946.	45,717.	218,740.	313,801.
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)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
TWO INDIVIDUAL STUDENTS	NONE	N/A	ART AND ESSAY CONTEST TO PROMOTE WATER RESOURCES EDUCATION.	500.
Total			▶ 3a	500.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	9,949.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	<7,388.>	
9 Net income or (loss) from special events			01	35,090.	
10 Gross profit or (loss) from sales of inventory					111,850.
11 Other revenue:					
a SERVICE FEE					21,139.
b PROGRAM REVENUE					15,979.
c MISCELLANEOUS REVENUE			01	6,278.	
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		43,929.	148,968.

13 Total Add line 12, columns (b), (d), and (e) 13 192,897.

(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).
10	GROSS PROFIT FROM CALENDAR SALES. CALENDAR SALES ARE RELATED TO THE PURPOSE OF THE SOCIETY AND HELP PROMOTE FRESHWATER EDUCATION AND CONSERVATION THROUGH FACTUAL INFORMATION AND PHOTOGRAPHY.
11A	FEES FOR ASSISTING FRESHWATER FOUNDATION, A SUPPORTED ORGANIZATION.
11B	SYMPOSIUMS AND SUMMITS ON PROTECTION OF WATER RESOURCES.

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee — Date: 11-8-13 — Title: EXECUTIVE DIRECTOR

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
THOMAS W. HODNEFIELD, CPA		10/30/13		P00185415
Firm's name ▶ HLB TAUTGES REDPATH, LTD.			Firm's EIN ▶ 41-0975573	
Firm's address ▶ 4810 WHITE BEAR PARKWAY WHITE BEAR LAKE, MN 55110			Phone no. (651)426-7000	

223622
12-05-12

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization	Employer identification number
FRESHWATER SOCIETY	23-7007115

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not total to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ▶ $ ______________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
FRESHWATER SOCIETY	23-7007115

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MOSAIC COMPANY FOUNDATION 3033 CAMPUS DRIVE, SUITE E-490 MINNEAPOLIS, MN 55441	$ 122,950.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	PENTAIR FOUNDATION 5500 WAYZATA BLVD, SUITE 800 GOLDEN VALLEY, MN 55416	$ 17,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	FRESHWATER FOUNDATION 2500 SHADYWOOD ROAD EXCELSIOR, MN 55331	$ 399,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	MINNEHAHA CREEK WATERSHED DISTRICT 18202 MINNETONKA BLVD DEEPHAVEN, MN 55343	$ 87,616.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	MARTIN COUNTY SWCD 923 NORTH STATE STREET, SUITE 110 FAIRMONT, MN 56031	$ 28,800.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	MISSISSIPPI WATER MANAGEMENT ORGANIZATION 2522 MARSHALL STREET NE MINNEAPOLIS, MN 55418	$ 12,855.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
FRESHWATER SOCIETY	23-7007115

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	ESTATE OF JAMES L. HETLAND 222 SOUTH NINTH STREET, SUITE 2960 MINNEAPOLIS, MN 55402	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	PATRICK AND AIMEE BUTLER FAMILY FOUNDATION 332 MINNESOTA STREET, E-1420 ST. PAUL, MN 55101	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
9	PRIOR LAKE SPRING LAKE WATERSHED DISRICT 14070 COMMERCE AVE NE, SUITE 300 PRIOR LAKE, MN 55372	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
10	MINNESOTA POLLUTION CONTROL AGENCY 520 LAFAYETTE ROAD NORTH SAINT PAUL, MN 55155-4194	$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
FRESHWATER SOCIETY	23-7007115

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

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

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

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

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

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

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

Name of organization

FRESHWATER SOCIETY

Employer identification number

23-7007115

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

Use duplicate copies of Part III if additional space is needed.

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

FORM 990-PF	INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10	STATEMENT 1

INCOME

1. GROSS RECEIPTS	196,008	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		196,008
4. COST OF GOODS SOLD (LINE 15)	84,158	
5. GROSS PROFIT (LINE 3 LESS LINE 4).		111,850
6. OTHER INCOME		
7. GROSS INCOME (ADD LINES 5 AND 6)		111,850

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR		
9. MERCHANDISE PURCHASED.		
10. COST OF LABOR.		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS.	84,158	
13. ADD LINES 8 THROUGH 12		84,158
14. INVENTORY AT END OF YEAR		
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14). .		84,158

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
SERVICE FEE	21,139.	0.	21,139.
PROGRAM REVENUE	15,979.	0.	15,979.
MISCELLANEOUS REVENUE	6,278.	0.	6,278.
GROSS INCOME FROM SPECIAL FUNDRAISING EVENTS	62,036.	0.	62,036.
TOTAL TO FORM 990-PF, PART I, LINE 11	105,432.	0.	105,432.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	39,808.	0.	0.	39,808.
TO FORM 990-PF, PG 1, LN 16B	39,808.	0.	0.	39,808.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PRINTING AND OTHER	15,266.	0.	12,849.	2,417.
CONSULTANTS	100,459.	0.	99,771.	688.
TO FORM 990-PF, PG 1, LN 16C	115,725.	0.	112,620.	3,105.

FORM 990-PF	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSES	44,675.	0.	23,998.	20,677.
INSURANCE	3,509.	0.	593.	2,916.
EQUIPMENT RENTAL AND MAINTENANCE	8,735.	0.	4,558.	4,177.
PROMOTION	9,932.	0.	9,260.	672.
SERVICE FEE PRODUCTION COSTS	21,139.	0.	21,139.	0.
RECLASS EXCESS OPERATING EXPENSES TO CHARITABLE	0.	0.	<354,644.>	354,644.
SPECIAL EVENT DIRECT EXPENSES	26,946.	0.	0.	26,946.
TO FORM 990-PF, PG 1, LN 23	114,936.	0.	<295,096.>	410,032.

FORM 990-PF	CORPORATE STOCK	STATEMENT 6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SEE ATTACHED	44,888.	44,888.
TOTAL TO FORM 990-PF, PART II, LINE 10B	44,888.	44,888.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CERTIFICATE OF DEPOSIT-SEE ATTACHED	FMV	382,193.	382,193.
INVESTMENT SWEEP - SEE ATTACHED	FMV	48,720.	48,720.
MUTUAL FUNDS - SEE ATTACHED	FMV	33,763.	33,763.
CORPORATE BONDS - SEE ATTACHED	FMV	47,938.	47,938.
UNIT INVESTMENT TRUSTS - SEE ATTACHED	FMV	20,594.	20,594.
ACCRUED INTEREST ON INVESTMENTS	FMV	1,747.	1,747.
FIXED RATE CAP SECURITIES - SEE ATTACHED	FMV	14,322.	14,322.
TOTAL TO FORM 990-PF, PART II, LINE 13		549,277.	549,277.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
TELEPHONE SYSTEM	8,075.	5,653.	2,422.
COPIER PRINTER	4,691.	4,691.	0.
SHARP PRINTER/COPIER	5,218.	1,565.	3,653.
TOTAL TO FM 990-PF, PART II, LN 14	17,984.	11,909.	6,075.

FORM 990-PF | EXPLANATION OF LEGISLATIVE OR POLITICAL ACTIVITIES - PART VII-A, LINE 1 | STATEMENT 9

THE ORGANIZATION HAS RECEIVED AN ADVANCE RULING FROM THE IRS THAT THE ORGANIZATION QUALIFIES AS A PUBLICLY SUPPORTED ORGANIZATION AND IS REPORTING UNDER THE CORRESPONDING 60 MONTH TERMINATION UNDER SECTION 507(B)(1)(B) AS NOTED ON PAGE 1 OF THIS RETURN. AS A PUBLICLY SUPPORTED ORGANIZATION, LOBBYING ACTIVITY IS ALLOWED. DURING FISCAL YEAR 2013 THE ORGANIZATION CONDUCTED A MINOR AMOUNT OF LOBBYING ACTIVITY (LESS THAN 40 HOURS).

FORM 990-PF TRANSFERS FROM CONTROLLED ENTITIES STATEMENT 10
PART VII-A, LINE 11

NAME OF CONTROLLED ENTITY	EMPLOYER ID NO
FRESHWATER FOUNDATION	27-1821336

ADDRESS

2500 SHADYWOOD ROAD
EXCELSIOR, MN 55331

DESCRIPTION OF TRANSFER

$399,100 CONTRIBUTION AS REPORTED ON SCHEDULE B, AND $21,139 SERVICE FEES AS REPORTED IN PART XVI-A.

	AMOUNT OF TRANSFER
	420,239.
TOTAL AMOUNT OF TRANSFERS FROM CONTROLLED ENTITIES	420,239.

FORM 990-PF | LIST OF CONTROLLED ENTITIES PART VII-A, LINE 11 | STATEMENT 11

NAME OF CONTROLLED ENTITY	EMPLOYER ID NO
FRESHWATER FOUNDATION	27-1821336

ADDRESS

2500 SHADYWOOD ROAD
EXCELSIOR, MN 55331

FORM 990-PF | PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS | STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RICK BATESON 2150 THIRD AVE, STE 110 ANOKA, MN 55303	TREASURER 1.00	0.	0.	0.
TODD BOLIN 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
BLYTH BROOKMAN 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 2.00	0.	0.	0.
RICHARD CALDECOTT 2150 THIRD AVE, STE 110 ANOKA, MN 55303	EMERITUS DIRECTOR 1.00	0.	0.	0.
ROBERT ELDE 2150 THIRD AVE, STE 110 ANOKA, MN 55303	EMERITUS DIRECTOR 1.00	0.	0.	0.
RICHARD GRAY 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.

STUART GRUBB 2150 THIRD AVE, STE 110 ANOKA, MN 55303	VICE CHAIR 1.00	0.	0.	0.
JOELLEN HURR 2150 THIRD AVE, STE 110 ANOKA, MN 55303	EMERITUS DIRECTOR 1.00	0.	0.	0.
DAVID KNOBLAUCH 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
BARBARA LUIKENS 2150 THIRD AVE, STE 110 ANOKA, MN 55303	SECRETARY 2.00	0.	0.	0.
JIM MANOLIS 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
LILI MCMILLAN 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
DARBY NELSON 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
CORRINE RICARD 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
TOM SKRAMSTAD 2150 THIRD AVE, STE 110 ANOKA, MN 55303	CHAIR 2.00	0.	0.	0.
LISA WHALEN 2150 THIRD AVE, STE 110 ANOKA, MN 55303	DIRECTOR 1.00	0.	0.	0.
GENE MERRIAM 2150 THIRD AVE, STE 110 ANOKA, MN 55303	PRESIDENT 15.00	52,407.	2,096.	0.
JOAN NEPHEW 2150 THIRD AVE, STE 110 ANOKA, MN 55303	EXECUTIVE DIRECTOR 46.00	108,681.	8,115.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		161,088.	10,211.	0.

FORM 990-PF SUMMARY OF DIRECT CHARITABLE ACTIVITIES STATEMENT 13

ACTIVITY ONE

FRESHWATER SOCIETY IS A MINNESOTA-BASED NONPROFIT ORGANIZATION THAT FOR MORE THAN 40 YEARS HAS WORKED TO EDUCATE AND INSPIRE PEOPLE TO VALUE, CONSERVE AND PROTECT ALL FRESHWATER RESOURCES. ITS GOALS ARE TO INCREASE THE EDUCATION, AWARENESS AND STEWARDSHIP OF CITIZENS TO REDUCE NONPOINT POLLUTION OF OUR LAKES, RIVERS AND STREAMS AND TO INCREASE CONSERVATION BEHAVIOR TO ENSURE SUSTAINABLE WATER RESOURCES FOR GENERATIONS TO COME. IT WORKS TOWARD ACCOMPLISHING THOSE GOALS BY A BROAD RANGE OF ACTIVITIES AND PROGRAMS DESIGNED TO EDUCATE, INFORM AND ENGAGE CITIZENS. IT SPONSORS NUMEROUS PROGRAMS TO EDUCATE CITIZENS ON WATER ISSUES, CONVENES FORUMS ON THREATS FACING WATER AND PARTNERS WITH OTHER GROUPS TO EXPLORE WATER RESOURCE PROBLEMS AND FORWARD IMPROVEMENT.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1	582,047.

2012 DEPRECIATION AND AMORTIZATION REPORT

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990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
12	TELEPHONE SYSTEM	052410	SL	5.00	16	8,075.			8,075.	4,038.		1,615.
13	COPIER PRINTER SHARP	120507	SL	5.00	16	4,691.			4,691.	4,300.		391.
14	PRINTER/COPIER	021612	SL	5.00	16	5,218.			5,218.	521.		1,044.
	* TOTAL 990-PF PG 1 DEPR					17,984.		0.	17,984.	8,859.	0.	3,050.

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FRESHWATER SOCIETY

JUNE 1 - JUNE 30, 2013
ACCOUNT NUMBER: 8370-4801

Additional information

	THIS PERIOD	THIS YEAR
Gross proceeds	0.00	67,823.98

Portfolio detail

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held at Wells Fargo Bank, N.A. and (if amounts exceed $250,000) at one or more other Wells Fargo affiliated banks. These assets are not covered by SIPC, but are instead eligible for FDIC insurance of up to $250,000 per depositor, per institution, in accordance with FDIC rules For additional information on the Bank Deposit Sweep for your account, please contact Your Financial Advisor.

DESCRIPTION	% OF ACCOUNT	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
BANK DEPOSIT SWEEP Interest Period 06/01/13 - 06/30/13	8.22	0.01	48,719.76	4.87
Total Cash and Sweep Balances	**8.22**		**$48,719.76**	**$4.87**

* APYE measures the total amount of the interest paid on an account based on the interest rate and the frequency of the compounding during the interest period. The annual percentage yield earned is expressed as an annualized rate, based on a 365 day year.

Stocks, options & ETFs

Stocks and ETFs

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
INTEL CORP INTC									
Acquired 04/03/12 L		300	28.08	8,579.00		7,269.00	-1,310.00		
Acquired 04/03/12 L		200	28.07	5,715.00		4,846.00	-869.00		
Acquired 10/31/12 S		500	21.62	11,067.75		12,115.00	1,047.25		
Total	**4.09**	**1,000**		**$25,361.75**	**24.2300**	**$24,230.00**	**-$1,131.75**	**$900.00**	**3.71**
TARGET CORP TGT									
Acquired 04/22/13 S	3 49	300	68.89	20,924.59	68.8600	20,658.00	-266.59	516.00	2.49
Total Stocks and ETFs	**7.58**			**$46,286.34**		**$44,888.00**	**-$1,398.34**	**$1,416.00**	**3.15**
Total Stocks, options & ETFs	**7.58**			**$46,286.34**		**$44,888.00**	**-$1,398.34**	**$1,416.00**	**3.15**

WELLS FARGO ADVISORS

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Fixed Income Securities

Corporate and municipal bonds and other fixed income securities are priced by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value.

Corporate Bonds

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
WELLS FARGO & CO MEDIUM TERM NT ADJUSTBLE ANNL CPN NT MIN1% MAX6% CPN 1 000% DUE 11/05/17 DTD 11/05/10 FC 11/05/11 Moody NR , S&P A+ CUSIP 94986RBH3 Acquired 10/29/10 L nc	8 09	50,000	100.00	50,000.00	95 8750	47,937.50	-2,062.50	N/A	500.00	1.04
Total Corporate Bonds	**8.09**	**50,000**		**$50,000.00**		**$47,937.50**	**-$2,062.50**		**$500.00**	**1.04**

nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS

Certificates of Deposit

Long-term certificates of deposit (maturity beyond one year from date of issue) are priced using a market value pricing model.

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
BANK OF CHINA CD ^ NEW YORK NY ACT/365 FDIC INSURED CPN 0 500% DUE 08/29/13 DTD 08/29/12 FC 08/29/13 CUSIP 06426NDM1 Acquired 08/24/12 S nc	8.44	50,000	100 00	50,000.00	99 9620	49,981.00	-19.00	207.53	250.00	0.50
BANK OF INDIA CD NEW YORK NY ACT/365 FDIC INSURED CPN 0 650% DUE 12/04/13 DTD 12/05/12 FC 12/04/13 CUSIP 062782X44 Acquired 11/28/12 S nc	5.06	30,000	100 00	30,000.00	99 9470	29,984 10	-15.90	109.52	195.00	0.65

FRESHWATER SOCIETY

JUNE 1 - JUNE 30, 2013
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Fixed Income Securities

Certificates of Deposit continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
GE CAPITAL BANK CD SALT LK CITY UT ACT/365 FDIC INSURED CPN 1 050% DUE 03/02/15 DTD 08/31/12 FC 02/28/13 CUSIP 36160XS81 Acquired 08/24/12 S nc	16.98	100,000	100.00	100,000.00	100.6080	100,608.00	608 00	345.21	1,050.00	1.04
WELLS FARGO BANK NA CD MULTI STEP UP CPN CALLABLE FDIC INSURED CPN 2 000% DUE 11/22/21 DTD 11/21/11 FC 02/21/12 CALL 11/21/13 @ 100 000 CUSIP 94986TJK4 Acquired 11/10/11 L nc	17.13	100,000	100.00	100,000.00	101.5000	101,500 00	1,500.00	208.22	2,000 00	1.97
BMO HARRIS BANK NA CD MULTI STEP UP CPN BOND CALLABLE FDIC INSURED CPN 2.000% DUE 07/19/27 DTD 07/19/12 FC 01/19/13 CALL 07/19/13 @ 100 000 CUSIP 05573JHJ6 Acquired 08/24/12 S nc	16.90	100,000	100.00	100,005.00	100.1200	100,120 00	115.00	876 71	2,000.00	1.99
Total Certificates of Deposit	**64.51**	**380,000**		**$380,005.00**		**$382,193.10**	**$2,188.10**	**$1,747.19**	**$5,495.00**	**1.44**
Total Fixed Income Securities	**72.61**			**$430,005.00**		**$430,130.60**	**$125.60**	**$1,747.19**	**$5,995.00**	**1.39**

4150.02

^ Denotes Certificate of Deposit with a maturity date in the next 60 days Please contact us for further investment opportunities or any assistance
nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS

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Mutual Funds

If a portion of your fund position was converted, the 'Client Investment' value may include reinvestments from previously held positions.

Open End Mutual Funds

Open End Mutual Fund shares are priced at net asset value. Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return.

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
JPMORGAN INCOME BUILDER FD CL C JNBCX On Reinvestment									
Acquired 05/02/13 S		967.11800	10.34	10,006.00		9,497.09	-508.91		
Reinvestments S		3.81800	10.13	38 68		37.50	-1.18		
Total	**1.61**	**970.93600**		**$10,044.68**	**9.8200**	**$9,534.59**	**-$510.09**	**$418.47**	**4.39**
	Client Investment (Excluding Reinvestments)					$10,006.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$471.41			
LORD ABBETT INVT TR SHORT DURATION INC CL C LDLAX On Reinvestment									
Acquired 05/02/13 S		3,205.12800	4.68	15,006.00		14,711.51	-294.49		
Reinvestments S		6.16300	4 65	28 66		28.31	-0.35		
Total	**2.49**	**3,211.29100**		**$15,034.66**	**4.5900**	**$14,739.82**	**-$294.84**	**$456.00**	**3.09**
	Client Investment (Excluding Reinvestments)					$15,006.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$266.18			
TRANSAMERICA FDS TRANSAMERICA TACTICAL INCOME CL C IGTCX On Reinvestment									
Acquired 05/02/13 S		967.11800	10.34	10,006.00		9,429.39	-576.61		
Reinvestments S		6.05400	9.88	59.83		59.03	-0.80		
Total	**1.60**	**973.17200**		**$10,065.83**	**9.7500**	**$9,488.42**	**-$577.41**	**$418.46**	**4.41**
	Client Investment (Excluding Reinvestments)					$10,006.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$517.58			
Total Open End Mutual Funds	**5.70**			**$35,145.17**		**$33,762.83**	**-$1,382.34**	**$1,292.93**	**3.83**
Total Mutual Funds	**5.70**			**$35,145.17**		**$33,762.83**	**-$1,382.34**	**$1,292.93**	**3.83**

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Preferreds/Fixed Rate Cap Securities

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
APACHE CORP 6% CONV PFD MANDATORY CONV 8/1/2013 APA'D Acquired 12/19/12 S	2.42	300	47.05	14,115.00	47.7400	14,322 00	207.00	900.00	6.28
Total Preferreds/Fixed Rate Cap Securities	**2.42**			**$14,115.00**		**$14,322.00**	**$207.00**	**$900.00**	**6.28**

Unit Investment Trusts

Equity Trusts

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FIRST TRUST PORTFOLIOS ENERGY SELECT PORTFOLIO SERIES 45 REINVEST CUSIP 30281B763 Acquired 01/23/13 S	3.48	2,031	10.50	21,327.12	10.1400	20,594.34	-732.78	444.78	2.15
Total Equity Trusts	**3.48**			**$21,327.12**		**$20,594.34**	**-$732.78**	**$444.78**	**2.16**
Total Unit Investment Trusts	**3.48**			**$21,327.12**		**$20,594.34**	**-$732.78**	**$444.78**	**2.16**

Activity detail

DATE	ACCOUNT TYPE	TRANSACTION/ CHECK NUMBER	QUANTITY	DESCRIPTION	PRICE	AMOUNT	CASH AND SWEEP BALANCES
06/01				BEGINNING BALANCE			48,386.36
06/03	Cash	DIVIDEND		INTEL CORP 060113 1,000 AS OF 6/01/13		225.00	
06/03	Cash	DIVIDEND		JPMORGAN INCOME BUILDER FD CL C 060313 967.11800		38.68	

WELLS FARGO ADVISORS

FRESHWATER SOCIETY

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Activity detail continued

DATE	ACCOUNT TYPE	TRANSACTION/ CHECK NUMBER	QUANTITY	DESCRIPTION	PRICE	AMOUNT	CASH AND SWEEP BALANCES
06/03	Cash	DIVIDEND		LORD ABBETT INVT TR SHORT DURATION INC CL C 053113 3,205 12800 AS OF 5/31/13		28.66	
06/03	Cash	REINVEST DIV	3.81800	JPMORGAN INCOME BUILDER FD CL C REINVEST AT 10 130		-38.68	
06/03	Cash	REINVEST DIV	6.16300	LORD ABBETT INVT TR SHORT DURATION INC CL C REINVEST AT 4 650		-28.66	48,611 36
06/10	Cash	DIVIDEND		TARGET CORP 061013 300		108.00	48,719.36
06/26	Cash	DIVIDEND		TRANSAMERICA FDS TRANSAMERICA TACTICAL INCOME CL C 062613 970.05800		30.08	
06/26	Cash	REINVEST DIV	3.11400	TRANSAMERICA FDS TRANSAMERICA TACTICAL INCOME CL C REINVEST AT 9 660		-30.08	48,719.36
06/28	Cash	INTEREST		BANK DEPOSIT SWEEP 062813 48,719		0.40	48,719.76

Cash sweep activity

Our Cash Sweep program allows you to earn a return on the idle cash balances in your account by automatically investing such balances into one of our cash sweep options. These 'sweep transactions' may represent a net amount for the day and occur on settlement date. The following section displays transfers into and out of your sweep option. Transactions displayed here are Transfer To, Transfer From and Reinvested Dividends and Interest. These transaction amounts are not included in your cash flow summary.

DATE	TRANSACTION	DESCRIPTION	AMOUNT
06/01		BEGINNING BALANCE	48,386.36
06/04	TRANSFER TO	BANK DEPOSIT SWEEP	225.00
06/11	TRANSFER TO	BANK DEPOSIT SWEEP	108.00
06/28	REINVEST INT	BANK DEPOSIT SWEEP	0.40
06/30		ENDING BALANCE	48,719.76