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

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

2012

Open to public inspection

For calendar year 2012 or tax year beginning OCT 1, 2012, and ending SEP 30, 2013

Name of foundation

MARTIN SALOMON MORTON AND
GUSTEL SCHREIBER MORTON FOUNDATION

A Employer identification number

04-3357627

Number and street (or P.O. box number if mail is not delivered to street address)

C/O WALTER ANGOFF, P.O. BOX 245

Room/suite

B Telephone number

(603) 526-7448

City or town, state, and ZIP code

NEW LONDON, NH 03257-0245

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

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundationE 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)

\$ 801,963. (Part I, column (d) must be on cash basis.)

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)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).)

(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			N/A	
	2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	45.	45.		STATEMENT 1
	4	Dividends and interest from securities	14,134.	14,134.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	16,963.			
	b	Gross sales price for all assets on line 6a	123,106.			
	7	Capital gain net income (from Part IV, line 2)		16,963.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
Operating and Administrative Expenses	b	Less: Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	Total. Add lines 1 through 11	31,142.	31,142.		
	13	Compensation of officers, directors, trustees, etc.	15,000.	4,500.		10,500.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees	3,780.	1,890.		1,890.
	c	Other professional fees				
	17	Interest				
	18	Taxes				
	19	Depreciation and depletion	600.	0.		
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses	3,218.	3,183.		35.
	24	Total operating and administrative expenses. Add lines 13 through 23	22,598.	9,573.		12,425.
	25	Contributions, gifts, grants paid	24,000.			24,000.
	26	Total expenses and disbursements. Add lines 24 and 25	46,598.	9,573.		36,425.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	-15,456.			
	b	Net investment income (if negative, enter -0-)		21,569.		
	c	Adjusted net income (if negative, enter -0-)			N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing			3,564.	5,749.	5,749.
	2 Savings and temporary cash investments			102,400.	98,675.	98,675.
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock					
	c Investments - corporate bonds					
11 Investments - land, buildings, and equipment basis ▶						
Less accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other	STMT 6			571,364.	558,048.	696,762.
14 Land, buildings, and equipment: basis ▶	2,777.					
Less accumulated depreciation	STMT 5 ▶	2,000.		1,377.	777.	777.
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers)				678,705.	663,249.	801,963.
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					
	22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)				0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			0.	0.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds			678,705.	663,249.		
30 Total net assets or fund balances			678,705.	663,249.		
31 Total liabilities and net assets/fund balances			678,705.	663,249.		

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)	1 678,705.
2 Enter amount from Part I, line 27a	2 -15,456.
3 Other increases not included in line 2 (itemize) ▶	3 0.
4 Add lines 1, 2, and 3	4 663,249.
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	6 663,249.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENT				
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				
b				
c				
d				
e 123,106.		106,143.	16,963.	
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				
b				
c				
d				
e			16,963.	
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 16,963.
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		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		3 N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) 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	37,477.	721,343.	.051954
2010	35,133.	753,651.	.046617
2009	31,437.	705,984.	.044529
2008	45,997.	639,089.	.071973
2007	46,017.	926,846.	.049649
2 Total of line 1, column (d)			2 .264722
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 .052944
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 762,408.
5 Multiply line 4 by line 3			5 40,365.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 216.
7 Add lines 5 and 6			7 40,581.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 36,425.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	431.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	431.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	431.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	129.	
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	129.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	302.	
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> MA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>WALTER ANGOFF, TRUSTEE</u> Telephone no. ► <u>(603) 526-7448</u> Located at ► <u>P.O. BOX 245, NEW LONDON, NH</u> ZIP+4 ► <u>03257-0245</u>			
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 <u>N/A</u>			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <u>N/A</u>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 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.) <u>N/A</u>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.) <u>N/A</u>	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

▶ ☐**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

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
WALTER ANGOFF	TRUSTEE			
PO BOX 245				
NEW LONDON, NH 032570245	5.00	15,000.	0.	0.

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

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

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

▶ 0

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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 N/A	
2	
3	
4	

Part IX-B**Summary of Program-Related Investments**

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

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

Total. Add lines 1 through 3

0.

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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	679,008.
b Average of monthly cash balances	1b	95,010.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	774,018.
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	774,018.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	11,610.
5 Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	762,408.
6 Minimum investment return. Enter 5% of line 5	6	38,120.

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	38,120.
2a Tax on investment income for 2012 from Part VI, line 5	2a	431.
b Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	431.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	37,689.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	37,689.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	37,689.

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	36,425.
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	36,425.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	36,425.

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				37,689.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			22,941.	
b Total for prior years:		0.		
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	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 36,425.				
a Applied to 2011, but not more than line 2a			22,941.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				13,484.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				24,205.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
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)

N/A

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 ▶

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**1 Information Regarding Foundation Managers:**

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

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:

WALTER ANGOFF, TRUSTEE, (603) 526-7448
P.O. BOX 245, NEW LONDON, NH 032570245

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

SEE STATEMENT ATTACHED

c Any submission deadlines:

SEE STATEMENT ATTACHED

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

SEE STATEMENT ATTACHED

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				
ONE FUND BOSTON PO BOX 990009 BOSTON, MA 02199			SUPPORT FOR THE VICTIMS OF THE BOSTON MARATHON BOMBING	1,000.
AMERICAN JEWISH HISTORICAL SOCIETY 101 NEWBURY STREET BOSTON, MA 02116-3062			EDUCATIONAL PROGRAMMING	2,000.
YAD VASHEM 500 FIFTH AVENUE, 42ND FLOOR NEW YORK, NY 101104299			EDUCATIONAL AND RESEARCH ACTIVITIES RELATING TO THE HOLOCAUST	1,500.
KURN HATTIN 708 KURN HATTIN ROAD WESTMINSTER, VT 05158			SUPPORT OF CURRICULUM DEVELOPMENT AT THE SCHOOL	1,000.
ADAPTIVE RESPITE & THERAPUTIC SVCS 204 BAKER ROAD NORTH SUTTON, NH 03260			SUMMER PROGRAM FOR TEEN CAMPERS	2,000.
Total	SEE CONTINUATION SHEET(S)			24,000.
b Approved for future payment				
NONE				
Total				0.

Enter gross amounts unless otherwise indicated.

(See worksheet in line 13 instructions to verify calculations.)



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.		

[illegible]

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

b If "Yes," complete the following schedule.		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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 12/27/13

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

Paid Preparer Use Only	Print/Type preparer's name ELISABETH H. KFOURY CPA	Preparer's signature <i>Elisabeth H. Kfoury CPA</i> ELISABETH H KFOUR	Date 12/02/13	Check <input type="checkbox"/> if self-employed	PTIN P00004533
	Firm's name ▶ EARLENE D BAKERMAN CPA			Firm's EIN ▶ 22-2674480	
	Firm's address ▶ 865 TURNPIKE STREET NORTH ANDOVER, MA 01845-6139			Phone no. 978.691.5115	

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 324.675 LOOMIS SAYLES BOND INST	P	06/09/06	01/29/13
b 429 AMERICAN AMCAP FI	P	12/11/00	03/05/13
c 379.507 AMERICAN AMCAP FI	P	12/11/00	09/16/13
d 51.41643 AMERICAN AMCAP FI	P	12/11/00	09/18/13
e 322.97557 AMERICAN AMCAP FI	P	06/26/01	09/18/13
f 185.219 AMERICAN CAP INC BUILDER FI	P	12/31/03	01/24/13
g 947.314991 AMERICAN CAP WORLD GR & INC	P	01/24/13	
h 273.673 AMERICAN WA MUTUAL F2	P	12/31/03	09/09/13
i 1030.397 OAKMARK INTERNATIONAL	P	08/07/12	11/02/12
j 107.066 OAKMARK INTERNATIONAL	P	08/07/12	07/08/13
k 614.754 INVESCO GOLD & PREC METALS Y	P	11/07/12	04/17/13
l 549.39 INVESCO GOLD & PREC METALS Y	P	11/07/12	07/08/13
m 25.513 INVESCO GOLD & PREC METALS Y	P	12/07/12	07/08/13
n CAPITAL GAINS DIVIDENDS			
o			

(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 5,000.		4,416.	584.
b 10,000.		7,606.	2,394.
c 10,000.		6,728.	3,272.
d 1,373.		912.	461.
e 8,627.		5,726.	2,901.
f 10,000.		8,982.	1,018.
g 36,151.		32,999.	3,152.
h 10,000.		7,830.	2,170.
i 20,000.		18,640.	1,360.
j 2,500.		2,126.	374.
k 3,000.		5,280.	-2,280.
l 2,423.		4,719.	-2,296.
m 104.		179.	-75.
n 3,928.			3,928.
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			584.
b			2,394.
c			3,272.
d			461.
e			2,901.
f			1,018.
g			3,152.
h			2,170.
i			1,360.
j			374.
k			-2,280.
l			-2,296.
m			-75.
n			3,928.
o			

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	16,963.
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	N/A

MARTIN SALOMON MORTON AND
GUSTEL SCHREIBER MORTON FOUNDATION

04-3357627

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
CHILDRENS HOSPITAL-BUCKLEY FUND 300 LONGWOOD AVENUE BOSTON, MA 02115			SPINAL DEFORMITY RESEARCH	1,000.
MCCARTHY FUND PO BOX 770001 CINCINNATI, OH 45277-0053			SUPPORT OF EDUCATIONAL FUND FOR TRAINING HIGH SCHOOL TEACHERS	1,000.
HOLOCAUST MUSEUM OF SW FLORIDA 4760 TAMiami TRAIL NAPLES, FL 341033025			MIDDLE AND HIGH SCHOOL EDUCATIONAL PROGRAMS RELATING TO THE HOLOCAUST	3,000.
COLBY-SAWYER COLLEGE 541 MAIN STREET NEW LONDON, NH 03257			GENERAL SUPPORT FOR THE COLLEGE	1,000.
MT IDA COLLEGE 77 DEDHAM ST NEWTON, MA 02459			SUPPORT FOR LOW INCOME FIRST GENERATION COLLEGE STUDENTS	3,000.
NEW LONDON BARN PLAYHOUSE 84 MAIN STREET NEW LONDON, NH 03257			SUPPORT OF THE PLAYHOUSE'S GENERAL OPERATIONS	1,500.
PROJECT HELP, INC 3123 TERRACE AVENUE NAPLES, FL 34104			COMMUNITY OUTREACH, EDUCATION AND STAFF TRAINING	2,000.
JUDGE BAKER CHILDREN'S CENTER 53 PARKER HILL AVE BOSTON, MA 02120-3225			SUPPORT FOR THE OPERATIONS OF THE MANVILLE SCHOOL AT THE CENTER	3,000.
VILNA SHUL, BOSTON CENTER FOR JEWISH CULTURE, INC 18 PHILLIPS STREET BOSTON, MA 02114			INNOVATIVE RELIGIOUS SERVICES FOR FAMILIES	1,000.
Total from continuation sheets				16,500.

2012 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	COMPUTER	11/10/08	200DB	5.00	HYL	17	1,079.				1,079.	892.		124.	1,016.
2	SCANNER	03/21/11	200DB	5.00	HYL	17	525.				525.	273.		101.	374.
3	COMPUTER	11/04/11	200DB	5.00	HYL	17	1,173.				1,173.	235.		375.	610.
* TOTAL 990-PF PG 1 DEPR							2,777.				2,777.	1,400.		600.	2,000.

THE MARTIN SALOMON MORTON AND GUSTEL SCHREIBER MORTON FOUNDATION

Information and Guidelines as of January 1, 2013

I. Background

The Martin Salomon Morton and Gustel Schreiber Morton Foundation is a modest charitable foundation established by the late Gustel S. Morton, who died in 1996. The Foundation bears Mrs. Morton's name and that of her husband, who died in 1976.

Mr. Morton was born in 1898 in Frankfurt-am-Main, Germany and Mrs. Morton, in 1902, in Brussels, Belgium. They were married in 1925 and emigrated to the United States in 1926, first settling in New York City and later in Cambridge, Massachusetts before establishing their long-term home in Belmont, Massachusetts. A leather merchant, Mr. Morton traveled widely throughout the world and served as an advisor to the Federal Office of Price Administration concerning the leather industry during World War II. Mr. Morton spoke at least four languages and was a quiet, studious and cultured man who valued both his European roots and the opportunities and blessings of his adopted country. Mrs. Morton was an industrious and spirited woman who worked for several large retail stores in New York City before the Mortons moved to the Boston area. During the 1930s she worked diligently with her husband to help bring more than 36 Europeans - particularly German nationals - to the United States as the Nazi tyranny became manifest. At one time they had undertaken to guarantee the economic integrity of so many emigres that the United States government refused to permit the Mortons to be responsible for any additional emigration applicants.

Always intellectually curious, Mrs. Morton discovered her special artistic talents in the early 1940s and then attended the School of the Museum of Fine Arts in Boston. There she experimented with water colors, oils and particularly sculpture in a variety of media and went on to countless creative pursuits until her final illnesses in the mid 1990s.

Having no children of their own, the Mortons actively supported a broad range of civic and charitable causes, particularly those relating to the welfare of children and the arts.

II. Purposes

Although the Foundation is vested with a broad charitable mandate, at Mrs. Morton's request, it focuses primarily on (i) education, (ii) medical science and services, (iii) children, (iv) religious pluralism and (v) the fine arts.

The Foundation may not do anything that is prohibited for a charitable organization under Federal or Massachusetts law. Specifically, no part of the Foundation's resources or activities may benefit a private individual or involve carrying on propaganda, influencing legislation or participating in political campaigns.

III. Grants

The Foundation awards grants solely to entities which are qualified as charitable organizations under Section 501(c)(3) of the United States

Internal Revenue Code. Grants typically range in size between \$1,000 and \$3,000 and rarely exceed \$5,000; however, under special circumstances involving unusual, long term projects, the Foundation may entertain applications for multi-year support. Preference is given to specific, focused programs and needs rather than general funding, and particular interest is extended to applications for matching or challenge grants.

IV. Policies

- A. In its operations and grant award practices, the Foundation is non-commercial, non-sectarian and non-partisan.
- B. The Foundation's name may not be used by a grant recipient without its express, written consent other than in the listing of its support in a manner generally consistent with the Foundation's charitable giving. Under no circumstances may a reference be made to the Foundation which is inconsistent with its charitable mission.
- C. In any matter involving the cooperation of the Foundation with other entities similarly qualified as charitable organizations under the United States Internal Revenue Code, no person or entity may act in a manner which purports to bind the Foundation to any financial or non-financial commitment or position without the Foundation's express, prior written authorization.
- D. In accepting any grant, the awardee commits to the use of the funds for the represented purpose and is expected to complete and file with the Foundation a brief report outlining the specific uses and results of the grant. The Foundation provides the form of this report when the grant distribution is made.
- E. The Foundation reserves the right to modify its policies and procedures from time to time without prior notice, all as its Trustees determine.

V. Application Procedures

Grant applications must be made in writing and sent to the Foundation's office:

Walter Angoff, Trustee
The Martin Salomon Morton and
Gustel Schreiber Morton Foundation
P.O. Box 245
New London, NH 03257

All applications must be accompanied by a copy of the applicant's 501(c)(3) qualification letter.

VI. Deadlines

Applications are received from October of each year through May of the following year. Grant decisions are generally made by the end of July, and grant distributions are made by the end of September.

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

SOURCE	AMOUNT
MORGAN STANLEY SMITH BARNEY	45.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	45.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
AMERICAN AMCAP FI	2,447.	2,078.	369.
AMERICAN CAP INC BUILDER FI	4,388.	0.	4,388.
AMERICAN CAP WORLD GR & INC FI	279.	0.	279.
AMERICAN GW FUND OF AMERICAN F2	733.	0.	733.
AMERICAN WA MUTUAL F2	2,036.	0.	2,036.
BARON ASSET INSTL	1,497.	1,497.	0.
DAVIS REAL ESTATE	384.	0.	384.
EATON VANCE GLOBAL MACRO ABSOLUTE	633.	0.	633.
INVESCO GOLD & PREC METALS Y	179.	179.	0.
KEELEY SMALL CAP VALUE I	239.	0.	239.
LOOMIS SAYLES BOND INST	990.	0.	990.
OAKMARK INTERNATIONAL	871.	0.	871.
PIMCO EMERGING LOCAL	1,271.	0.	1,271.
PIMCO TOTAL RETURN P	876.	134.	742.
RS GLOBAL NATURAL RES	40.	40.	0.
VANGUARD FTSE EMERGING MARKETS	779.	0.	779.
VANGUARD MSCI	420.	0.	420.
TOTAL TO FM 990-PF, PART I, LN 4	18,062.	3,928.	14,134.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EARLENE D BAKERMAN, CPA	3,780.	1,890.		1,890.
TO FORM 990-PF, PG 1, LN 16B	3,780.	1,890.		1,890.

FORM 990-PF	OTHER EXPENSES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MASS FILING FEE	35.	0.		35.	
INVESTMENT MANAGEMENT FEES	3,183.	3,183.		0.	
TO FORM 990-PF, PG 1, LN 23	3,218.	3,183.		35.	

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT	5
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	FAIR MARKET VALUE	
COMPUTER	1,079.	1,016.	63.	63.	
SCANNER	525.	374.	151.	151.	
COMPUTER	1,173.	610.	563.	563.	
TO 990-PF, PART II, LN 14	2,777.	2,000.	777.	777.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	6
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
GROWTH FUND OF AMERICA INC.	FMV	0.	0.	
WASHINGTON MUTUAL INVESTORS	FMV	0.	0.	
LOOMIS SAYLES BOND FUND	FMV	14,068.	15,609.	
PIMCO TOTAL RETURN	FMV	17,185.	17,615.	
EATON VANCE GLOBAL MACRO ABSOLUTE	FMV	15,644.	14,212.	
PIMCO EMERGING LOCAL	FMV	23,305.	20,190.	
DAVIS REAL ESTATE CLASS Y	FMV	30,643.	31,373.	
BARON ASSET INSTL	FMV	23,483.	26,701.	
KEELEY SMALL CAP VALUE I	FMV	37,013.	52,701.	
OAKMARK INTERNATIONAL	FMV	70,605.	92,034.	
RS GLOBAL NATURAL RES	FMV	0.	0.	
AMERICAN AMCAP FI	FMV	66,726.	99,096.	
AMERICAN CAP INC BUILDER FI	FMV	93,722.	108,614.	
AMERICAN CAP WORLD GR&INC FI	FMV	0.	0.	
VANGUARD FTSE EMERGING MARKETS	FMV	41,466.	39,894.	
AMERICAN GW FD OF AMERICAN F2	FMV	44,901.	79,836.	
AMERICAN WA MUTUAL F2	FMV	64,747.	83,573.	
RS GLOBAL NATURAL RES Y	FMV	14,540.	15,314.	
TOTAL TO FORM 990-PF, PART II, LINE 13		558,048.	696,762.	