Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

► Do not enter Social Security numbers on this form as it may be made public.
► Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*.

OMB No. 1545-0052

2013

For calendar year 2013, or tax year beginning , 2013, and ending ,

Name of foundation
The Midgard Foundation

Number and street (or P.O. box number if mail is not delivered to street address) | Room/suite
P.O. Box 7286

City or town, state or province, country, and ZIP or foreign postal code
Asheville NC 28802

A Employer identification number
13-6206619

B Telephone number (see the instructions)
(828) 253-0304

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 3,047,330.

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

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

	Line	Description	(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 (att sch)	0.			
	2	Ck ► ☒ if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	32,636.	32,636.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		11,947.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit/(loss) (att sch)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	32,636.	44,583.		
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages	0.			
	15	Pension plans, employee benefits	0.			
	16a	Legal fees (attach schedule)	0.			
	b	Accounting fees (attach sch)	0.			
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)(see instrs) See Line 18 Stmt	3,993.	3,743.		
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	4,228.	1,900.		2,328.
	22	Printing and publications				
	23	Other expenses (attach schedule) See Line 23 Stmt	8,591.	3,447.		5,232.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	16,812.	9,090.		7,560.
	25	Contributions, gifts, grants paid	130,550.			130,550.
	26	**Total expenses and disbursements.** Add lines 24 and 25	147,362.	9,090.		138,110.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-114,726.			
	b	**Net investment income** (if negative, enter -0-)		35,493.		
	c	**Adjusted net income** (if negative, enter -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. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS 1	Cash — non-interest-bearing	58,230.	56,982.	56,982.
2	Savings and temporary cash investments	105,038.	62,038.	62,038.
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 (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments — U.S. and state government obligations (attach schedule)			
b	Investments — corporate stock (attach schedule) L-10b Stmt	763,406.	700,809.	1,813,030.
c	Investments — corporate bonds (attach schedule)			
11	Investments — land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
12	Investments — mortgage loans			
13	Investments — other (attach schedule) L-13 Stmt	1,000,000.	1,115,280.	1,115,280.
14	Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
15	Other assets (describe ►)			
16	**Total assets** (to be completed by all filers — see the instructions. Also, see page 1, item I)	1,926,674.	1,935,109.	3,047,330.
LIABILITIES 17	Accounts payable and accrued expenses	0.	0.	
18	Grants payable	0.	0.	
19	Deferred revenue	0.	0.	
20	Loans from officers, directors, trustees, & other disqualified persons	0.	0.	
21	Mortgages and other notes payable (attach schedule)	0.	0.	
22	Other liabilities (describe ► 0)	0.	0.	
23	**Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	1,927,034.	1,966,962.	
28	Paid-in or capital surplus, or land, building, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	1,927,034.	1,966,962.	
31	**Total liabilities and net assets/fund balances** (see instructions)	1,927,034.	1,966,962.	

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	1,927,034.
2	Enter amount from Part I, line 27a	2	-114,726.
3	Other increases not included in line 2 (itemize) ► Glas Funds Capital Account Increase	3	115,280.
4	Add lines 1, 2, and 3	4	1,927,588.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,927,588.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	1000 Altria Group, Inc.	P	06/19/08	01/29/13
b	200 Vanguard Intl Equity Index Fds	P	08/17/10	08/17/13
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	33,713.		20,943.	12,770.
b	37,890.		41,654.	-3,764.
c				
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				12,770.
b				-3,764.
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** 11,947.

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

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 (column (b) divided by column (c))
2012	129,175.	2,503,680.	0.051594
2011	244,906.	2,662,170.	0.091995
2010	139,656.	2,445,197.	0.057114
2009	150,300.	2,448,919.	0.061374
2008	190,375.	2,826,320.	0.067358

2	**Total** of line 1, column (d)	2	0.329435
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.065887
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5. . . .	4	2,779,760.
5	Multiply line 4 by line 3	5	183,150.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	355.
7	Add lines 5 and 6. . . .	7	183,505.
8	Enter qualifying distributions from Part XII, line 4	8	138,110.

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)

1 a	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 instrs)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b	1	710.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	710.
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	710.
6	Credits/Payments:		
a	2013 estimated tax pmts and 2012 overpayment credited to 2013 — 6a		
b	Exempt foreign organizations — tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c 3,000.		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	3,000.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	100.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►	10	2,190.
11	Enter the amount of line 10 to be: **Credited to 2014 estimated tax** ► 2,280. **Refunded** ►	11	

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ ______ **(2)** On foundation managers ► $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► See States Registered In			
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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

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

Website address ► N/A

14 The books are in care of ► Phillip C. Broughton Telephone no. ► (828) 253-0304

Located at ► 380 Elk Mt. Scenic Highway, Asheville, NC ZIP + 4 ► 28804-1708

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15

			Yes	No
16	At any time during calendar year 2013, 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
1 a	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)?	1 b		
	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 2013?	1 c		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see instructions.)	2 b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__ .			
3 a	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 2013 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 2013.)*	3 b		
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		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 2013?	4 b		X

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

5 a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? 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? ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6 a 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 No: X

If 'Yes' to 6b, file Form 8870.

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 7b

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Phillip C Broughton P.O. Box 7286, Asheville, NC 28802	Pres 15.00	0.	0.	0.
Phillip C Broughton, Jr 3 Lornelle Place Asheville NC 28804	Vice Pres 1.00	0.	0.	0.
David L. Smith P.O. Box 7286, Asheville, NC 28802	Secy, Treas 3.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ► None

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		None

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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	2,622,083.
b	Average of monthly cash balances	1b	200,008.
c	Fair market value of all other assets (see instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	2,822,091.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,822,091.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	42,331.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,779,760.
6	**Minimum investment return.** Enter 5% of line 5	6	138,988.

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	138,988.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	710.		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	710.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	138,278.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	138,278.
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	138,278.

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	138,110.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	138,110.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	138,110.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				138,278.
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			120,939.	
b Total for prior years: 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2013:				
a From 2008 190,375.				
b From 2009 152,875.				
c From 2010 140,121.				
d From 2011 245,350.				
e From 2012 129,175.				
f **Total** of lines 3a through e	857,896.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ $ 138,110.				
a Applied to 2012, 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 2013 distributable amount				
e Remaining amount distributed out of corpus	138,110.			
5 Excess distributions carryover applied to 2013 *(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	996,006.			
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				
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount – see instructions			120,939.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				138,278.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	190,375.			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a	805,631.			
10 Analysis of line 9:				
a Excess from 2009 152,875.				
b Excess from 2010 140,121.				
c Excess from 2011 245,350.				
d Excess from 2012 129,175.				
e Excess from 2013 138,110.				

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 2013, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	(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					
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 ▶ [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*				
Schedule Attached			Charitable Contributions	
Total . . . . . . ► **3a**				
***b** Approved for future payment*				
University of NC Asheville Asheville NC 28804	30000	public	scholarships	
Warren Wilson College Asheville NC	30000	public	scholarships	
Total . . . . . . ► **3b**				60,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
1 Program service revenue:	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a None	none		41		
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					
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					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 0.

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

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

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

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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

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

b If 'Yes,' complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: [signature] Date: 12/15/14 Title: President

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ► Phillip C Broughton — Firm's EIN ► 13-6206619

Firm's address ► 380 Elk Mountain Scenic HWY, Asheville NC 28804-1708 — Phone no.

2013 Grants Midgard Foundation - Last year

1/1/2013 through 12/31/2013

11/14/2014

Description	Amount
Asheville Art Museum	-69,550.00
Asheville City Schools Foundation	-2,000.00
Asheville GreenWorks	-100.00
Asheville Humane Society	-11,000.00
Asheville School	-5,000.00
BGSU Foundation	-250.00
Child & Family Agency of SE CT	-100.00
CooperRiis, Inc.	-1,000.00
Diana Wortham Theater	-1,000.00
First Congregational Church of Old Lyme	-3,500.00
Florence Griswold Museum	-400.00
Lawrence YWCA	-1,000.00
Lyme Academy College of Fine Arts	-100.00
Lymes' Youth Service Bureau	-100.00
National Trust for Historic Preservation	-100.00
Old Lyme Children's Learning Center	-100.00
Old Lyme Conservation Trust	-200.00
Old Lyme Historical Society, Inc.	-100.00
Old Lyme Phoebe Griffin Noyes Library	-500.00
Penland School Of Crafts	-1,500.00
Pisgah Legal Services	-2,000.00
PMC JIMMY FUND	-750.00
Preservation Society of Asheville and Buncombe County	-500.00
Preservation Society of Asheville and Buncombe County	-1,000.00
Prostate Cancer Research Institute	-500.00
River Link	-250.00
The Whitney Museum Of American Art	-2,500.00
The Wolf Sanctum	-250.00
UNCA Foundation	-10,000.00
University of Michigan	-350.00
Warren Wilson College	-10,000.00
WCQS Public Radio	-2,000.00
Whitney Museum Of American Art	-2,500.00
Youth OUTright	-350.00
OVERALL TOTAL	-130,550.00

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
NY State Filing Fee	250.			
Foreign Tax Withheld	743.	743.		
990PF 2013 W/Extension	3,000.	3,000.		
Total	3,993.	3,743.		

Form 990-PF, Page 1, Part I, Line 23
Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Equipment	684.	342.		342.
Insurance D&O	750.	375.		375.
Office Security	242.	121.		121.
Assn Small Foundations	1,070.	400.		670.
Bank Charges		63.		
Supplies	436.	86.		350.
Internet Access	1,128.	500.		628.
Postage,Software PO Box	902.			902.
Assn Small Foundations	725.	225.		525.
990PF 13'Softw/advice	753.	253.		500.
990PF Software '12	481.	151.		330.
Validea,Morningstar,Mriders,FedEx	631.	631.		
Comp Secty & Backup	351.	100.		251.
Office General	438.	200.		238.
Total	8,591.	3,447.		5,232.

Form 990-PF, Page 4, Part VII-A, Line 8a
States Registered In

NY - New York
NC - North Carolina

Explanation Statement

Form/Line: Form 990-PF, Return of Private Foundation
Explanation of: Reasonable Cause for Late Filing of Form 990-PF

As President of the Foundation and a laweyer I have prepared the 990PF for the Foundation for the last 40+ years. However, this year I contracted Advanced Prostate Cancer requiring me to spend the months of September, October and November undergoing advanced cancer treatment similar to chemotherapy. I was unable to work on the 990PF until about two weeks ago, causing the late filing. I regret the delay beyond November 17, the extended due date.

Fotm 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	Fair Market Value
Attached Statements from Fidelity Investments	700,809.	1,813,030.
Total	700,809.	1,813,030.

Form 990-PF, Page 2, Part II, Line 13
L-13 Stmt

Line 13 - Investments - Other:	End of Year Book Value	Fair Market Value
Glas Funds	1,115,280.	1,115,280.
Total	1,115,280.	1,115,280.

Fidelity INVESTMENTS

Investment Report

December 1, 2013 - December 31, 2013

00005869 01 AT 0.381 02005869 Envelope 135205087

THE MIDGARD FOUNDATION
380 ELK MOUNTAIN SCENIC HWY
ASHEVILLE NC 28804-1708

Online	Fidelity.com
FAST(sm)-Automated Telephone	800-544-5555
Customer Service	800-544-6666

12/31 BofA cash 62,038
1/1/13 115,308

Fidelity Account℠ Z47-831107 THE MIDGARD FOUNDATION

Account Summary

Beginning value as of Dec 1	$1,781,788.04
Change in investment value	31,241.65
Ending value as of Dec 31	**$1,813,029.69**
Accrued Interest (AI)	$0.00
Change in AI from last statement	$0.00
Account trades from Jan 2013 - Dec 2013	2

Income Summary

	This Period	Year to Date
Taxable		
Dividends	$5,457.02	$33,293.73
Interest	0.50	9.25
Total	**$5,457.52**	**$33,302.98**

Realized Gain/Loss from Sales

	This Period	Year to Date
Short-term loss	$0.00	-$2,940.35
Long-term gain	$0.00	$12,769.55
Long-term loss	0.00	-823.49
Net long	**0.00**	**11,946.06**

Holdings (Symbol) as of December 31, 2013

Stocks 97% of holdings	Quantity December 31, 2013	Price per Unit December 31, 2013	Total Cost Basis	Total Value December 1, 2013	Total Value December 31, 2013
RECKITT BENCKISER GROUP PLC ORD GBP0.10 ISIN #GB00B24CGK77 SEDOL #B24CGK7 (RBGPF)	1,000.000	$79.384	$11,706.25t	$80,411.87	$79,384.00
ALTRIA GROUP INC (MO) EAI: $3,840.00, EY: 5.00%	2,000.000	38.390	41,886.47t	73,960.00	76,780.00
BERKSHIRE HATHAWAY INC DEL CL B NEW (BRKB)	3,000.000	118.560	120,788.50c	349,590.00	355,680.00
CLOROX CO DEL (CLX) EAI: $2,272.00, EY: 3.06%	800.000	92.760	10,116.00c	74,536.00	74,208.00

0001 131231 0001 135205087 04 18 000

Fidelity INVESTMENTS

Investment Report

December 1, 2013 - December 31, 2013

Fidelity Account℠ Z47-831107 THE MIDGARD FOUNDATION

Holdings (Symbol) as of December 31, 2013	Quantity December 31, 2013	Price per Unit December 31, 2013	Total Cost Basis	Total Value December 1, 2013	Total Value December 31, 2013
EMERSON ELECTRIC CO (EMR)	2,000.000	70.180	29,852.50t	133,980.00	140,360.00
EAI: $3,440.00, EY: 2.45%					
EXXON MOBIL CORP (XOM)	1,000.000	101.200	15,895.00t	93,480.00	101,200.00
EAI: $2,520.00, EY: 2.49%					
ISHARES CORE S&P 500 ETF (IVV)	1,000.000	185.650	118,340.00	181,960.00	185,650.00
ISHARES CORE S&P SMALL-CAP ETF (IJR)	2,000.000	109.130	134,121.63	216,000.00	218,260.00
JOHNSON & JOHNSON (JNJ)	2,000.000	91.590	52,605.87c	189,320.00	183,180.00
EAI: $5,280.00, EY: 2.88%					
NESTLE SA SPON ADR EACH REPR 1 COM CHF0.10 (NSRGY)	2,000.000	73.424	43,932.28t	146,518.00	146,848.00
EAI: $4,327.08, EY: 2.95%					
UNITED TECHNOLOGIES CORP (UTX)	1,000.000	113.800	69,447.31t	110,860.00	113,800.00
EAI: $2,360.00, EY: 2.07%					
VANGUARD SPECIALIZED PORTFOLIOS DIV APPRECIATION INDEX FD VIPER SHS (VIG)	1,000.000	75.240	52,117.35	74,190.00	75,240.00
Subtotal of Stocks			**700,809.16**		**1,750,590.00**

Core Account ***3% of holdings***

CASH	62,439.690	1.000	not applicable	56,982.17	62,439.69
For balances between $50,000.00 and $99,999.99, the current interest rate is 00.01%.					
Subtotal of Core Account					**62,439.69**
Total			**$ 700,809.16**		**$1,813,029.69**

For OK @ 742,462.98 cost basis.

All positions held in cash account unless indicated otherwise.

c - Cost basis information (or proceeds from short sales) has been provided by you or a third party (such as a transferring broker) and has not been adjusted except as otherwise indicated. t - Third-party provided

Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

Estimated Annual Income (EAI) & Estimated Yield (EY) *- EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EY reflects only the income generated by an investment; it does not reflect changes in its price, which may fluctuate. For certain types of securities, EAI and EY could include the return of principal or capital gains which would render them overstated. EAI and EY are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. There is no guarantee that your investments will actually generate the EAI or EY presented. Actual income and yield might be higher or lower. EAI and EY should not be confused with a security's 30-day Yield or 7-day Yield, if provided, as such yield quotations reflect the actual historical performance of a security.* ***For additional information, including calculation details, refer to the "Additional Information and Endnotes" section at the end of your statement.***

SS&C
GlobeOp

GLASfunds, Ltd
Capital Account Statement

THE MIDGARD FOUNDATION (Class A, Series 2013-1)
12/31/2013

		Brevan MS [illegible] Ltd	Davidson Kempner	[illegible]	Mason [illegible]	Thirdpoint	Cash [illegible] Account	Total	Shares	NAV
Beginning Partner's	12/01/13	$182,287	$198,768	$294,921	$212,610	$214,224	$1,826	$1,104,413	1,000 00	1,104.41
Contributions		-	-	-	-	-	17,073	17 073	-	-
Withdrawals		-	-	-	-	-	-	-	-	-
Investment in Portfolio Fund		-	-	-	-	-	-	-	-	-
Withdrawal from Portfolio Fund		-	-	(1,000)	-	(16 073)	-	(17 073)		-
Net Income (Loss) before Mgmt Fee		904	753	2 645	3 226	4 863	(275)	12,116	-	-
Management Fee		-	-	-	-	-	(679)	(679)	-	-
Adjusted Partner's Capital		$183 171	$199 518	$296 567	$215 836	$203 013	$17 745	$1,115 850	-	-
MTD - Potential Performance Allocation		-	-	-	-	-	(572)	(572)	-	-
Ending Partner's Capital	12/31/13	$183,171	$199,518	$296,567	$215,836	$203,013	$17,173	$1,115,278	1,000 00	1,115 28
Performance - Current Month		0 50%	0 38%	0 90%	1 52%	2 27%	- %	0 98%	-	-
Performance - Year to Date		0 92%	9 80%	11 45%	23 10%	24 64%	- %	11 53%	-	-

Past results are no guarantee of future results and no representation is made that an investor will or is likely to achieve results similar to those shown.
Net performance figures shown reflect the deduction of expenses incurred in the management of the fund and any applicable performance based fees Performance results and capital balances are preliminary, unaudited and subject to change Actual results may vary Individual investor performance may vary from the overall fund return due to timing of capital activity and other reasons Immaterial differences in report totals may appear due to rounding This statement is not intended to be used for tax purposes