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

Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, and ending , 20

Name of foundation: Blue Waters Foundation

A Employer identification number: 27-4297287

Number and street (or P O box number if mail is not delivered to street address): P.O. Box 372 | Room/suite:

B Telephone number (see instructions): 231-929-4878

City or town, state or province, country, and ZIP or foreign postal code: Eastport, MI 49627

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 2,880,277

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

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	106,684	106,684		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	(46,481)			
	b	Gross sales price for all assets on line 6a 768,054				
	7	Capital gain net income (from Part IV, line 2)		57,224		
	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 or (loss) (attach schedule)				
	11	Other income (attach schedule) Statement 1	1,737	1,737		
	12	**Total.** Add lines 1 through 11	61,940	165,645		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) Statement 2	4,828	0		4828
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule) Statement 3	10,922	10,922		0
	17	Interest				
	18	Taxes (attach schedule) (see instructions) Statement 4	4,476	429		429
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	20,226	11,351		5,257
	25	Contributions, gifts, grants paid	143,500			143,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	163,726	11,351		148,757
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(101,786)			
	b	**Net investment income** (if negative, enter -0-)		154,294		
	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	28,131	25,756	25,756
2	Savings and temporary cash investments			
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 schedule) ▶			
	Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U.S. and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
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) Statement 5	2,778,529	2,854,521	2,854,521
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)	2,806,660	2,880,277	2,880,277
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	2,806,660	2,880,277	
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	2,806,660	2,880,277	
31	**Total liabilities and net assets/fund balances** (see instructions)	2,806,660	2,880,277	

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	2,806,660
2 Enter amount from Part I, line 27a	2	(101,786)
3 Other increases not included in line 2 (itemize) ▶ Unrealized Gains from Securities - Statement 6	3	175,403
4 Add lines 1, 2, and 3	4	
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	2,880,277

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo , day, yr)
1a	Publicly Traded Stocks			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	768,054		710,830	57,224
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
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	57,224
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	0

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))
2012	140,936	2,800,278	0503
2011	138,098	2,727,982	.0506
2010	0	2,804,590	0
2009			
2008			

2	**Total** of line 1, column (d)	2	.1009
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	.0336
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	2,874,492
5	Multiply line 4 by line 3	5	96,583
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,543
7	Add lines 5 and 6	7	98,126
8	Enter qualifying distributions from Part XII, line 4	8	148,757

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary—see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	1,543
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	1,543
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	1,543
6	Credits/Payments:		
a	2013 estimated tax payments and 2012 overpayment credited to 2013 — 6a: 4,000		
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	4,000
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	2,457
11	Enter the amount of line 10 to be: **Credited to 2014 estimated tax** ▶ 2,457 **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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		✓
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	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶ None			
14	The books are in care of ▶ Scott D. Harvey, Esq. Telephone no. ▶ 231-929-4878 Located at ▶ 101 N. Park St., Ste. 100 ZIP+4 ▶ 49684			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 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		✓
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	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?	1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 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.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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?	4b		✓

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)? (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).

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**

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

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Statement 7				

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

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

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

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

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

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

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 None	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
2	
All other program-related investments See instructions 3 None	
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	2,893,101
b	Average of monthly cash balances	1b	25,165
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	2,918,266
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	2,918,266
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	43,774
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,874,492
6	**Minimum investment return.** Enter 5% of line 5	6	143,725

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	143,725
2a	Tax on investment income for 2013 from Part VI, line 5	2a	1,543		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,543
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	142,182
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	142,182
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	142,182

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	148,757
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	148,757
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	1,543
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	147,214

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				142,182
2	Undistributed income, if any, as of the end of 2013:				
a	Enter amount for 2012 only			0	
b	Total for prior years: 20___,20____,20____		0		
3	Excess distributions carryover, if any, to 2013:				
a	From 2008				
b	From 2009				
c	From 2010				
d	From 2011				
e	From 2012 8,773				
f	**Total** of lines 3a through e	8,773			
4	Qualifying distributions for 2013 from Part XII, line 4: ▶ $ 148,757				
a	Applied to 2012, but not more than line 2a			0	
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 2013 distributable amount				142,182
e	Remaining amount distributed out of corpus	6,575			
5	Excess distributions carryover applied to 2013 *(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:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	15,348			
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 2012. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f	Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8	Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0			
9	**Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a	15,348			
10	Analysis of line 9:				
a	Excess from 2009				
b	Excess from 2010				
c	Excess from 2011				
d	Excess from 2012 8,773				
e	Excess from 2013 6,575				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

Phillip Elbert

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 address 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*				
Bostwick Memorial Fund, 121 W. 48th St., Kansas City, MO 64112		PC	ForSoldiers in Afganistan	2,500
Open Books Chicago, 213 W. Institute Pl. #207, Chicago IL 60610		PC	General Support	4,000
100 Club of Chicago, 135 LaSalle St. #1162, Chicago IL 60603		PC	General Support	1,000
PAWS Chicago, 1997 N. Clyborn, Chicago IL 60614		PC	General Support	2,500
Art Rapids, P.O. Box 301, Elk Rapids, MI 49629		PC	General Support	2,500
Salvation Army Chicago, 5040 N. Pulaski Road, Chicago, IL 60630		PC	General Support	30,000
Salvation Army Traverse City, P.O. Box 5228 Traverse City MI 49696		PC	General Support	15,000
Lincoln Park Zoo, 2001 N. Clark St. Chicago IL 60614		PC	General Support	15,000
Chicago Food Depository, 4100 W. Ann Laurie Pl. Chicago, IL 60632		PC	General Support	15,000
Ronald McDonald Charities, 1301 W. 22nd St. Ste. 905 Oak Brook IL 60523		PC	General Support	10,000
Folds of Honor, 5800 N. Patriot Dr., Owasso, OK 74055		PC	General Support	20,000
Munson Medical Center, 210 Beaumont Pl., Traverse City MI 49684		PC	General Support	25,000
CYC Foundation, 400 E. Monroe St. Chicago, IL 60603		PC	General Support	1,000
Total . . . . ▶ 3a				143,500
b *Approved for future payment*				
Total . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	106,684	
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			14	1,737	
8 Gain or (loss) from sales of assets other than inventory			18	(46,481)	
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)				61,940	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 64,940

(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)
	N/A

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

▶ Lisa Ogilvie | 5/15/14 ▶ President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Timothy M. White	[signature]	5/15/14		P01082920
Firm's name ▶ Smith Haughey Rice & Roegge			Firm's EIN ▶	38-2234596
Firm's address ▶ 101 N. Park St., Ste. 100, Traverse City, MI 49684			Phone no	231-929-4878

Attachment to Form 990-PF (TY 2013)
Blue Waters Foundation
EIN: 27-4297287

STATEMENT 1

Part I

Item No.	
11 (Other Income):	Non-dividend distributions in the amount of $1,434.16; capital gain distributions in the amount of $233.75; unrecaptured Section 1250 gain in the amount of $69.26.

STATEMENT 2

Part I

Item No.	
16a (Legal Fees):	Legal Fees in the amount of $4,828.00 charged by Smith Haughey Rice & Roegge P.C., all of which is allocated to the charitable purpose.

STATEMENT 3

Part I

Item No.	
16c (Other professional fees):	Trustee fees in the amount of $6,756.05 charged by Northern Trust Securities, Inc.; Investment Management fees in the amount of $4,165.70 charged by Northern Trust Securities, Inc.

STATEMENT 4

Part I

Item No.	
18 (Taxes):	2011 excise taxes paid in 2013 in the amount of $47.00; estimated 2013 tax payments paid in the amount of $4,000.00; foreign taxes paid on dividends and interest in the amount of $428.86.

STATEMENT 5

Part II

Item No.	
13 (Investments-other):	See attached schedule.

STATEMENT 6

Part III

Item No.	Acct:	Cost	FMV End of Yr.		Unrealized Gains
3 (Other increases not included in line 2):					
Unrealized gain from securities	x6117	$1,962,542	$1,998,278		$ 35,736
	X4019	$ 716,757	$ 856,242		$139,667
				Total	**$175,403**

SHRR 2985974v1

Attachment to Form 990-PF (TY 2013)
Blue Waters Foundation
EIN: 27-4297287

STATEMENT 7

PART VIII

Item 1: List of all officers, directors, foundation managers and their compensation:

(a) Name and Address	(b) Title and avg. hrs /week	(c) Compensation	(d) Contributions	(e) Expense Account
Kristin Elbert 1456 Leech Lane Eastport, MI 49627	President/Secretary 5 hours	0	0	0
Phillip Elbert 1456 Leech Lane Eastport, MI 49627	V.P./Treasurer 0.5 hours	0	0	0
Charles W Elbert 1360 N. Lake Shore Dr. Apt. 1017 Chicago, IL 60610	Director 0.5 hours	0	0	0
Linlee Elbert 1360 N. Lake Shore Dr. Apt. 1017 Chicago, IL 60610	Director 0.5 hours	0	0	0
Lauren E. Elbert 505 W. 37th St., #3907 New York, NY 10018	Director 0.5 hours	0	0	0

Statement 5

EIN: 27-4297287

Report : Holdings As of Date (All Asset Classes)

Account / Consolidation : xxx6117 - BLUE WATERS FOUNDATION **As Of : 12/31/13**

Description	Asset Class	% of Assets	Quantity	Market Price	Market Value
BSBAX - MFB NORTHERN FDS SHORT BD FD	Fixed Income Securities	7 50%	7,849.570	$19 10	$149,926 78
CIU - MFC ISHARES INTERMEDIATE CREDIT BOND ETF	Fixed Income Securities	29 69%	5,500 000	$107 88	$593,340 00
DFIVX - MFO DIMENSIONAL FD ADVISORS INTL VALUE PORTFOLIO	Equity Securities	3 93%	3,955 700	$19 83	$78,441.53
NGREX - MFB NORTHERN FDS GLOBAL REAL ESTATE INDEX FD	Real Estate	1 89%	4,162 330	$9 07	$37,752 33
NOCBX - MFB NORTHERN FDS CORE BD FD	Fixed Income Securities	2.42%	4,763 770	$10 14	$48,304.62
NORXX - MFB NORTHERN FUNDS MONEY MKT FD MONEY MARKET FUND	Cash and Short Term Investments	4 34%	86,723 190	$1 00	$86,723 19
PHIYX - MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD INSTL CL	Fixed Income Securities	45 48%	94,577 430	$9 61	$908,889.10
TDTF - MFC FLEXSHARES TR IBOXX 5 YR TARGET DURATION TIPS INDEX FD IBOXX 5 YR TARGETDU	Fixed Income Securities	1 87%	1,500 000	$24 87	$37,305 00
VWO - MFC VANGUARD FTSE EMERGING MKTS ETF	Equity Securities	2 88%	1,400 000	$41 14	$57,596.00
Totals (9 Records)					**$1,998,278.55**
Accrual Subtotal					**$1,293.03**
Total Market Value					**$1,999,571.58**

^Complete cost information not available

^^Gain/Loss information is inclusive of currency translation impacts

Statement 5

Report : Holdings As of Date (All Asset Classes) EIN: 27-4297287

Account / Consolidation : xxx4019 - BLUE WATERS FOUNDATION - B&G **As Of : 12/31/13**

Description	Asset Class	% of Assets	Quantity	Market Price	Market Value
AAPL - APPLE INC COM STK	Equity Securities	1 90%	29 000	$561 11	$16,272 19
ABBV - ABBVIE INC COM USD0 01	Equity Securities	2 89%	469.000	$52 81	$24,767 89
ADI - ANALOG DEVICES INC COM	Equity Securities	1 48%	249.000	$50.93	$12,681.57
ADP - AUTOMATIC DATA PROCESSING INC COM	Equity Securities	1 99%	211 000	$80 81	$17,050 91
AJG - GALLAGHER ARTHUR J & CO COM	Equity Securities	1 66%	303.000	$46.93	$14,219.79
BAX - BAXTER INTL INC COM	Equity Securities	1 57%	193.000	$69 55	$13,423 15
BCE - BCE INC COM NEW	Equity Securities	1 69%	335 000	$43 29	$14,502.15
BLK - BLACKROCK INC COM STK	Equity Securities	1 40%	38 000	$316.47	$12,025 86
BMY - BRISTOL MYERS SQUIBB CO COM	Equity Securities	1 68%	270 000	$53.15	$14,350 50
CFR - CULLEN / FROST BANKERS INC COM	Equity Securities	2 69%	310 000	$74.43	$23,073 30
CSCO - CISCO SYSTEMS INC	Equity Securities	2 60%	993 000	$22 45	$22,292.85
CVX - CHEVRON CORP COM	Equity Securities	3 01%	206 000	$124 91	$25,731 46
EMR - EMERSON ELECTRIC CO COM	Equity Securities	2 70%	329.000	$70 18	$23,089.22
GE - GENERAL ELECTRIC CO	Equity Securities	3 49%	1,065 000	$28.03	$29,851.95
GPC - GENUINE PARTS CO COM	Equity Securities	1 46%	150 000	$83.19	$12,478 50
GSK - GLAXOSMITHKLINE PLC SPONSORED ADR	Equity Securities	1 75%	280 000	$53 39	$14,949.20
HCN - HEALTH CARE REIT INC COM	Equity Securities	1 91%	305.000	$53 57	$16,338 85
HCP - HCP INC COM REIT	Equity Securities	1 81%	426 000	$36 32	$15,472 32
INTC - INTEL CORP COM	Equity Securities	3 28%	1,081.000	$25 96	$28,062 76
JNJ - JOHNSON & JOHNSON COM USD1	Equity Securities	3 56%	333 000	$91 59	$30,499 47
KMB - KIMBERLY-CLARK CORP COM	Equity Securities	3 42%	280 000	$104.46	$29,248.80
KO - COCA COLA CO COM	Equity Securities	2 08%	431 000	$41 31	$17,804 61
KRFT - KRAFT FOODS GROUP INC COM	Equity Securities	2 80%	444 000	$53 92	$23,940 48
LMT - LOCKHEED MARTIN CORP COM	Equity Securities	2 83%	163 000	$148 66	$24,231.58
MAT - MATTEL INC COM	Equity Securities	2 48%	446.000	$47 58	$21,220 68
MCD - MC DONALDS CORP COM	Equity Securities	3 66%	323 000	$97 03	$31,340 69
MO - ALTRIA GROUP INC COM	Equity Securities	2 18%	487 000	$38 39	$18,695.93
MRK - MERCK & CO INC NEW COM	Equity Securities	2 36%	403 000	$50 05	$20,170 15
MSFT - MICROSOFT CORP COM	Equity Securities	2.58%	591 000	$37.43	$22,121.13
NEE - NEXTERA ENERGY INC COM	Equity Securities	1 01%	101 000	$85 62	$8,647 62
NORXX - MFB NORTHERN FUNDS MONEY MKT FD MONEY MARKET FUND	Cash and Short Term Investments	1 26%	10,762.150	$1.00	$10,762.15
NVS - NOVARTIS AG	Equity Securities	2 39%	255 000	$80 38	$20,496 90
O - RLTY INC CORP COM	Equity Securities	0.71%	164 000	$37 33	$6,122 12
OKE - ONEOK INC COM STK	Equity Securities	3 39%	467 000	$62 18	$29,038 06
PAYX - PAYCHEX INC COM	Equity Securities	1 44%	271 000	$45 53	$12,338 63
PG - PROCTER & GAMBLE COM NPV	Equity Securities	2 41%	254 000	$81 41	$20,678 14
PM - PHILIP MORRIS INTL COM STK NPV	Equity Securities	2 40%	236 000	$87.13	$20,562 68
QCOM - QUALCOMM INC COM	Equity Securities	2 48%	286 000	$74 25	$21,235 50

Statement 5

SE - SPECTRA ENERGY CORP COM STK	Equity Securities	2 61%	628 000	$35 62	$22,369.36
T - AT&T INC COM	Equity Securities	1.33%	324 000	$35.16	$11,391.84
TUP - TUPPERWARE BRANDS CORPORATION	Equity Securities	1 09%	99 000	$94 53	$9,358 47
USB - US BANCORP	Equity Securities	2 86%	606 000	$40 40	$24,482 40
VTR - VENTAS INC REIT	Equity Securities	0 76%	113 000	$57 28	$6,472 64
WEC - WIS ENERGY COM	Equity Securities	1 93%	400 000	$41 34	$16,536 00
WMB - WILLIAMS CO INC COM	Equity Securities	3 02%	670.000	$38 57	$25,841 90
Totals (45 Records)					**$856,242.35**
Accrual Subtotal					**$2,317.09**
Total Market Value					**$858,559.44**

^Complete cost information not available.

^^Gain/Loss information is inclusive of currency translation impacts.

Securities products and services are offered by Northern Trust Securities, Inc , member FINRA, SIPC, and a wholly owned subsidiary of Northern Trust Corporation

NOT FDIC INSURED / NO BANK GUARANTEE / MAY LOSE VALUE

Northern Funds are distributed by Northern Funds Distributors, LLC, which is not affiliated with Northern Trust, and offered through Registered Representatives of Northern Trust Securities, Inc (member FINRA, SIPC), a subsidiary of Northern Trust Corporation

The information displayed includes assets held at Northern Trust as well as assets held at other financial institutions Assets held at Northern Trust reflect positions and valuations as of the previous business day Assets held at other financial institutions reflect the most recent available account information, which in some cases may be prior to the previous business day All financial data presented is historical information An investor's holdings when redeemed may be worth more or less than the value shown

Account Statement

December 1, 2013 - December 31, 2013

Account Number 23-66117
BLUE WATERS FOUNDATION
EIN: 27-4297287
Statement 6

Portfolio Details

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
Equity Securities - International Developed									
MFO DIMENSIONAL FUND ADVISORS INTERNATIONAL VALUE PORTFOLIO (DFIVX)	$19.830	3,955 70	$78,441 53	$75,000 00	$3,441 53		$2,128.17	2 7%	57 7%
Total International Region - USD			$78,441.53	$75,000 00	$3,441.53		$2,128.17	2.7%	57.7%
Total International Developed			$78,441.53	$75,000 00	$3,441.53		$2,128.17	2.7%	57.7%
Equity Securities - International Emerging									
MFC VANGUARD FTSE EMERGING MKTS ETF (VWO)	$41 140	1,400 00	$57,596 00	$56,853 44	$742 56		$1,575 00	2 7%	42 3%
Total Emerging Markets Region - USD			$57,596.00	$56,853.44	$742.56		$1,575.00	2.7%	42 3%
Total International Emerging			$57,596.00	$56,853.44	$742.56		$1,575.00	2.7%	42.3%
Total Equity Securities			$136,037.53	$131,853.44	$4,184.09		$3,703.17	2.7%	100.0%

	Market Price	Par Value/ Rating	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield/ YTM	% of Assets
Fixed Income Securities - Corporate/ Government									
Funds MFB NORTHERN FDS CORE BD FD (NOCBX)	$10 140	4,763 77	$48,304 62	$50,065 01	($1,760 39)		$1,647.22	3.4%	2 8%
MFB NORTHERN FDS SHORT BD FD (BSBAX)	19 100	7,849 57	149,926 78	150,000 00	(73 22)		2,047 01	1 4%	8 6%

Continued on next page

Northern Trust

Portfolio Details *(continued)*

	Market Price	Par Value/ Rating	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield/ YTM	% of Assets
MFC ISHARES INTERMEDIATE CREDIT BOND ETF (CIU)	107 880	5,500 00	593,340 00	597,834 12	(4,494 12)	1 276 44	16,153 50	2 7%	34 1%
MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD INSTL CL (PHIYX)	9 610	94,577 43	908,889 10	866,766.47	42,122.63		54,098 29	6 0%	52 3%
Total Corporate/ Government			**$1,700,460.50**	**$1,664,665 60**	**$35,794.90**	**$1,276 44**	**$73,946 02**	**4 3%**	**97.9%**
Fixed Income Securities - Other Bonds									
Funds MFC FLEXSHARES TR IBOXX 5 YR TARGET DURATION TIPS INDEX FD IBOXX 5 YR TARGETDURATION TIPS INDEX FD\ (TDTF)	$24 870	1,500 00	$37,305 00	$39,300 00	($1,995 00)	$15 97	$576 00	1 5%	2 1%
Total Other Bonds			**$37,305 00**	**$39,300 00**	**($1,995 00)**	**$15.97**	**$576.00**	**1.5%**	**2.1%**
Total Fixed Income Securities			**$1,737,765 50**	**$1,703,965.60**	**$33,799.90**	**$1,292.41**	**$74,522 02**	**4.3%**	**100.0%**

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
Real Estate - Real Estate Funds									
MFB NORTHERN FDS GLOBAL REAL ESTATE INDEX FD (NGREX)	$9 070	4,162 33	$37,752 33	$40,000 00	($2,247 67)		$1,290.32	3.4%	100 0%
Total Real Estate Funds			**$37,752 33**	**$40,000 00**	**($2,247.67)**		**$1,290 32**	**3.4%**	**100.0%**
Total Real Estate			**$37,752 33**	**$40,000.00**	**($2,247.67)**		**$1,290.32**	**3.4%**	**100.0%**

Continued on next page.

Account Number 23-66117
BLUE WATERS FOUNDATION
EIN: 27-4297287

Portfolio Details *(continued)*

	Market Price		Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield/ YTM	% of Assets
Cash and Short Term Investments - Cash									
Available cash balances are invested daily in MFB NORTHERN FDS MONEY MKT FD MONEY MARKET FUND .									
PRINCIPAL CASH	$1 000	107,829 53	$107,829 53	$107,829 53	$0 00				
INCOME CASH	1 000	(21,106 34)	(21,106 34)	(21,106 34)	0 00				
Total Cash			**$86,723.19**	**$86,723.19**	**$0.00**	**$0.62**	**$8.67**	**0.0%**	
Total Cash and Short Term Investments			**$86,723 19**	**$86,723.19**	**$0.00**	**$0.62**	**$8.67**	**0.0%**	
Total Portfolio			**$1,998,278.55**	**$1,962,542.23**	**$35,736.32**	**$1,293.03**	**$79,524.18**	**4.0%**	

Total Accrual	**$1,293.03**
Total Value	**$1,999,571 58**

Account Statement

December 1, 2013 - December 31, 2013

Account Number 23-66117
BLUE WATERS FOUNDATION
EIN: 27-4297287

Activity Details

Settled Activity

Date	Type	Description	Market Value	Tax Cost/ Adjustment Amt	Income Cash	Principal Cash	Reserve Cash
U S DOLLARS - USD							
		Opening Balance			($ 30,930 98)	$ 107,832 37	$ 0 00
12/02/13	Dividends	MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD INSTL CL (PHIYX) INCOME DISTRIBUTION ON 94577 13 SHRS AT RATE OF 0 047314187 PAYABLE 11/29/13, RECORD DATE 11/29/13 EX-DATE 11/29/13			4,474 84		
	Interest Receipts	MFB NORTHERN FDS MONEY MKT FD MONEY MARKET FUND (NORXX) INCOME RECEIVED			1 28		
12/06/13	Dividends	MFC ISHARES INTERMEDIATE CREDIT BOND ETF (CIU) $0 23869 A SHARE ON 5 500 SHARES			1,312 80		
12/12/13	Capital Gain Dividends	MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD INSTL CL (PHIYX) SHORT TERM CAPITAL ON 94577 13 SHRS AT RATE OF 0 000030000 PAYABLE 12/11/13, RECORD DATE 12/10/13 EX-DATE 12/11/13			2 84		
	Purchases	MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD INSTL CL (PHIYX) PURCHASED 0 30 SHARES 12-11-13 AT A PRICE OF $9 63 NET AS REINVESTMENT		2 84		(2 84)	
12/13/13	Dividends	MFO DIMENSIONAL FUND ADVISORS INTERNATIONAL VALUE PORTFOLIO (DFIVX) INCOME DISTRIBUTION ON 3955 70 SHRS AT RATE OF 0 108000000 PAYABLE 12/13/13 RECORD DATE 12/11/13 EX-DATE 12/12/13			427 22		

Continued on next page.

Activity Details *(continued)*

Settled Activity

Date	Type	Description	Market Value	Tax Cost/ Adjustment Amt	Income Cash	Principal Cash	Reserve Cash
12/20/13	Capital Gain Dividends	MFB NORTHERN FDS CORE BD FD (NOCBX) LONG TERM CAPITAL GAINS OF $65 01 ON 4,757 37 SHARES AT A RATE OF $0 013666 PAYABLE ON 12-19-13				65 01	
	Dividends	MFB NORTHERN FDS CORE BD FD (NOCBX) DIVIDEND DISTRIBUTION ON 4,757 37 SHARES PAYABLE 12-19-13 AT A RATE OF $0 000000 PER SHARE			75 95		
	Dividends	MFB NORTHERN FDS GLOBAL REAL ESTATE INDEX FD (NGREX) DIVIDEND DISTRIBUTION ON 4 162 33 SHARES PAYABLE 12-19-13 AT A RATE OF $0 164041 PER SHARE			682 79		
	Dividends	MFB NORTHERN FDS SHORT BD FD (BSBAX) DIVIDEND DISTRIBUTION ON 7 849 56 SHARES PAYABLE 12-19-13 AT A RATE OF $0 000000 PER SHARE			141 95		
	Purchases	MFB NORTHERN FDS CORE BD FD (NOCBX) REINVESTMENT OF LONG TERM CAP GAINS PURCHASED 6 40 SHARES ON 12-19-13 AT A PRICE OF $10 1600		65 01		(65 01)	
12/27/13	Dividends	MFC VANGUARD FTSE EMERGING MKTS ETF (VWO) $0 216 A SHARE ON 1,400 SHARES			302 40 °		
12/31/13	Fees	NORTHERN TRUST ACCOUNT MGMT SERVICES FEE FOR PERIOD ENDING 12-31-13			(377 14)		
	Transfers from Other Accounts	RECEIVED BY TRANSFER FROM INVESTMENT MANAGEMENT ADVISORY ACCOUNT 23-94019, BLUE WATERS FOUNDATION - B&G			2,779 71		
		Closing Balance			**($ 21,106 34)**	**$ 107,829.53**	**$ 0 00**

Account Statement

December 1, 2013 - December 31, 2013

Account Number 23-94019
BLUE WATERS FOUNDATION - B&G

EIN: 27-4297287
statement 6

Portfolio Details

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
Equity Securities - Large Cap									
ABBVIE INC COM USD0 01 (ABBV)	$52 810	469 00	$24,767 89	$18,171 74	$6,596 15		$750 40	3 0%	2 9%
ALTRIA GROUP INC COM (MO)	38 390	487 00	18,695.93	16,236 34	2,459 59	233 76	935 04	5.0%	2.2%
ANALOG DEVICES, INC COMMON STOCK $ 16 2/3 PAR (ADI)	50 930	249 00	12,681 57	9,150 75	3,530 82		338 64	2 7%	1 5%
APPLE INC COM STK (AAPL)	561 110	29 00	16,272 19	12,091 79	4,180 40		353 80	2 2%	1 9%
AT&T INC COM (T)	35 160	324 00	11,391 84	11,346 48	45 36		596 16	5 2%	1 3%
AUTOMATIC DATA PROCESSING INC COM (ADP)	80 810	211 00	17,050 91	12,358 05	4,692 86	101 28	405 12	2 4%	2 0%
BAXTER INTL INC COMMON STOCK (BAX)	69 550	193 00	13,423 15	11,489 41	1,933.74	94.57	378.28	2 8%	1 6%
BLACKROCK INC COM STK (BLK)	316 470	38 00	12,025 86	6,491 31	5,534 55		255 36	2 1%	1 4%
BRISTOL MYERS SQUIBB CO COMMON STOCK (BMY)	53 150	270 00	14,350 50	9,268 67	5,081 83	97 20	388 80	2 7%	1 7%
CHEVRON CORP COM (CVX)	124 910	206 00	25,731 46	21,564 39	4,167 07		824 00	3 2%	3 0%
CISCO SYSTEMS INC COMMON STOCK (CSCO)	22 450	993 00	22,292 85	20,017 63	2,275 22		675 24	3 0%	2 6%
COCA COLA CO COM (KO)	41 310	431 00	17,804 61	16,120 47	1,684 14		482 72	2 7%	2.1%
EMERSON ELECTRIC CO COM (EMR)	70 180	329 00	23,089 22	15,344 56	7,744 66		565 88	2 5%	2 7%
GENERAL ELECTRIC CO (GE)	28 030	1,065 00	29,851 95	22,601 04	7,250 91	234 30	937 20	3 1%	3 5%
HCP INC COM REIT (HCP)	36 320	426 00	15,472 32	18,279 93	(2,807 61)		894 60	5 8%	1 8%
HEALTH CARE REIT INC COM (HCN)	53 570	305 00	16,338 85	17,590 82	(1,251 97)		933 30	5 7%	1 9%

Continued on next page.

Northern Trust

Portfolio Details *(continued)*

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
INTEL CORP COM (INTC)	25 960	1,081 00	28,062 76	27,941 87	120 89		972.90	3.5%	3 3%
JOHNSON & JOHNSON COM USD1 (JNJ)	91 590	333 00	30,499 47	22,493 60	8,005 87		879.12	2 9%	3 6%
KIMBERLY-CLARK CORP COMMON STOCK $5 PAR (KMB)	104 460	280 00	29,248 80	23,460 41	5,788 39	226 80	907 20	3.1%	3 5%
KRAFT FOODS GROUP INC COM (KRFT)	53 920	444 00	23,940 48	20,765 17	3 175 31	233 10	888 00	3 7%	2.8%
LOCKHEED MARTIN CORP COM (LMT)	148 660	163 00	24,231 58	20,079.09	4,152 49		867 16	3 6%	2 9%
MATTEL INC COM STOCK $1 00 PAR (MAT)	47 580	446 00	21,220 68	14,263.34	6,957 34		642 24	3 0%	2 5%
MC DONALDS CORP COMMON STOCK, NO PAR (MCD)	97 030	323 00	31,340 69	28,427 23	2,913 46		1,046 52	3 3%	3 7%
MERCK & CO INC NEW COM (MRK)	50 050	403 00	20,170 15	17,655 39	2,514 76	177.32	709 28	3.5%	2 4%
MICROSOFT CORP COM (MSFT)	37 430	591 00	22,121 13	16,067 73	6,053.40		661 92	3 0%	2 6%
NEXTERA ENERGY INC COM (NEE)	85 620	101 00	8,647 62	6,775 24	1,872 38		266 64	3.1%	1 0%
PAYCHEX INC COMMON STOCK (PAYX)	45 530	271 00	12,338 63	10,919 52	1,419 11		379 40	3 1%	1.5%
PHILIP MORRIS INTL COM STK NPV (PM)	87 130	236 00	20,562 68	20,291 37	271 31	235 94	887 36	4 3%	2 4%
PROCTER & GAMBLE COM NPV (PG)	81 410	254 00	20,678 14	15,885 19	4,792 95		611 12	3 0%	2 4%
QUALCOMM INC COM (QCOM)	74 250	286 00	21,235 50	18,243 81	2,991 69		400 40	1.9%	2 5%
SPECTRA ENERGY CORP COM STK (SE)	35 620	628 00	22,369 36	21,142 15	1,227 21		766 16	3 4%	2 6%
US BANCORP (USB)	40 400	606 00	24,482 40	21,181 28	3,301 12	139 38	557 52	2 3%	2 9%
VENTAS INC REIT (VTR)	57 280	113 00	6,472 64	9,194 97	(2,722 33)		327 70	5 1%	0 8%

Continued on next page

Portfolio Details *(continued)*

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
WILLIAMS COMPANY INC COMMON STOCK $1 PAR (WMB)	38 570	670 00	25,841 90	19,689 81	6,152 09		1,018 40	3 9%	3 1%
Total Large Cap			**$684,705.71**	**$572,600 55**	**$112,105.16**	**$1,773 65**	**$22,503.58**	**3.3%**	**81.0%**
Equity Securities - Mid Cap									
CULLEN / FROST BANKERS INC COM (CFR)	$74 430	310 00	$23,073 30	$22,499 17	$574 13		$620 00	2 7%	2 7%
GALLAGHER ARTHUR J & CO COM (AJG)	46 930	303 00	14,219.79	10,826 45	3,393 34		424 20	3 0%	1 7%
GENUINE PARTS CO COM (GPC)	83 190	150 00	12,478 50	9,148 50	3,330 00	80 62	322 50	2 6%	1 5%
ONEOK INC COM STK (OKE)	62 180	467 00	29,038 06	19,646 69	9,391 37		709 84	2 4%	3.4%
REALTY INCOME CORP COM (O)	37 330	164 00	6,122 12	6,457 12	(335 00)	29 87	358 50	5.9%	0 7%
TUPPERWARE BRANDS CORPORATION (TUP)	94 530	99 00	9 358 47	7,751 76	1,606 71	61.38	245 52	2 6%	1 1%
WISCONSIN ENERGY COMMON STOCK (WEC)	41 340	400 00	16,536.00	16,913 22	(377 22)		640 00	3.9%	2.0%
Total Mid Cap			**$110,826.24**	**$93,242.91**	**$17,583.33**	**$171.87**	**$3,320.56**	**3.0%**	**13 1%**
Equity Securities - International Developed									
BCE INC COM NEW (BCE)	$43 290	335 00	$14,502 15	$13,644 55	$857 60	$199 07	$749 40	5.2%	1 7%
Total Canada - USD			**$14,502.15**	**$13,644.55**	**$857.60**	**$199.07**	**$749 40**	**5.2%**	**1.7%**
NOVARTIS AG (NVS)	80 380	255 00	20,496.90	13,669 33	6,827 57		524 54	2 6%	2 4%
Total Switzerland - USD			**$20,496 90**	**$13,669.33**	**$6,827.57**		**$524.54**	**2.6%**	**2.4%**
GLAXOSMITHKLINE PLC SPONSORED ADR (GSK)	53 390	280 00	14,949 20	12,655 86	2,293 34	172 50	674 52	4 5%	1 8%

Continued on next page.

Account Statement

December 1, 2013 - December 31, 2013

Account Number 23-94019
BLUE WATERS FOUNDATION - B&G
EIN: 27-4297287

Portfolio Details (continued)

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield	% of Assets
Total United Kingdom - USD			$14,949.20	$12,655.86	$2,293 34	$172.50	$674.52	4.5%	1.8%
Total International Developed			$49,948.25	$39,969 74	$9,978.51	$371 57	$1,948.45	3.9%	5 9%
Total Equity Securities			$845,480.20	$705,813.20	$139,667.00	$2,317.09	$27,772.60	3.3%	100.0%

	Market Price	Shares	Market Value	Cost	Unrealized Gain/(Loss)	Accrual	Estimated Annual Income	Yield/ YTM	% of Assets
Cash and Short Term Investments - Cash									
Available cash balances are invested daily in MFB NORTHERN FDS MONEY MKT FD MONEY MARKET FUND									
PRINCIPAL CASH	$1 000	10,680 22	$10,680 22	$10,680 22	$0 00				
INCOME CASH	1 000	81 93	81 93	81 93	0 00				
Total Cash			$10,762.15	$10,762.15	$0.00		$1.08	0 0%	
Total Cash and Short Term Investments			$10,762.15	$10,762.15	$0.00		$1.08	0.0%	
Total Portfolio			$856,242.35	$716,575.35	$139,667.00	$2,317.09	$27,773.67	3.2%	
Total Accrual			$2,317.09						
Total Value			$858,559.44						