

Return of Organization Exempt From Income Tax

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning **JANUARY**, 2012, and ending **DECEMBER**, 2012

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization: **KSER FOUNDATION**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2623 WETMORE AVENUE
 City, town or post office, state, and ZIP code
EVERETT, WA 98201

D Employer identification number
91-1642834

E Telephone number
425-303-9070

G Gross receipts \$ **1,186,339**

F Name and address of principal officer: **BRENDA MANN HARRISON**
C/O KSER 2623 WETMORE AVE. EVERETT, WA 98201

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: ▶ **WWW.KSER.ORG**

H(c) Group exemption number ▶

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1994** **M** State of legal domicile: **WA**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>TO ADVANCE THE COMMON GOOD IN OUR COMMUNITY THROUGH PUBLIC RADIO AND OTHER SERVICES DEDICATED TO ARTS, IDEAS AND CIVIC ENGAGEMENT.</u>		
	2	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	8
	6	Total number of volunteers (estimate if necessary)	6	140
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	91,155
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	90,155	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 226,452	Current Year 243,714
	9	Program service revenue (Part VIII, line 2g)	1,965	1,775
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		839,905
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	57,548	100,945
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	285,965	1,186,339
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	199,941	175,794
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 53,909		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	164,042	200,877
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	363,983	376,671
19	Revenue less expenses. Subtract line 18 from line 12	(78,018)	809,668	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 389,959	End of Year 1,041,190
	21	Total liabilities (Part X, line 26)	148,208	1,725
	22	Net assets or fund balances. Subtract line 21 from line 20	241,751	1,039,465

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer: Brenda Mann Harrison Date: April 17, 2013
 ▶ Type or print name and title: Brenda Mann Harrison, President

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____
 Firm's name ▶: _____ Firm's EIN ▶: _____
 Firm's address ▶: _____ Phone no.: _____

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

**TO ADVANCE THE COMMON GOOD IN OUR COMMUNITY THROUGH PUBLIC RADIO AND OTHER SERVICES
DEDICATED TO ARTS, IDEAS AND CIVIC ENGAGEMENT.**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: BLANK) (Expenses \$ 376,671 including grants of \$ 0) (Revenue \$ 1,186,339)

THE KSER FOUNDATION, THROUGH RADIO STATION KSER 90.7 FM, DELIVERS NON-COMMERCIAL RADIO PROGRAMMING TO AN AVERAGE WEEKLY AUDIENCE OF OVER 30,000 LISTENERS IN SNOHOMISH, ISLAND AND SURROUNDING COUNTIES. A PAID STAFF OF 5 AND OVER 140 VOLUNTEERS OPERATE KSER AND PROVIDE LOCAL NEWS AND INFORMATION, NATIONAL AND WORLD NEWS, ARTS AND CULTURAL PROGRAMMING, 24 HOURS A DAY, 365 DAYS PER YEAR. KSER IS THE ONLY LISTENER-SUPPORTED, NON-COMMERCIAL RADIO STATION IN SNOHOMISH COUNTY. WE WORK TO BE GOOD STEWARDS OF OUR DONORS' SUPPORT AND PROMOTE THE VALUE OF COMMUNITY SERVICE. DURING 2012 KSER CONTINUED TO BROADCAST A LOCALLY PRODUCED PROGRAM CALLED "SOUND LIVING" THAT FEATURED ELECTED OFFICIALS, COMMUNITY LEADERS AND SPECIAL GUESTS IN A DIALOG WITH LISTENERS. WE MAINTAIN A WEBSITE TO DEEPEN THE VALUE OF OUR COMMUNITY RADIO RADIO STATION FOR LISTENERS AND OTHERS IN OUR SERVICE AREA. WE ALSO FEATURE LOCAL ARTISTS AND MUSICIANS AND CALL ATTENTION TO LOCAL VENUES WHERE THESE ARTISTS ARE PERFORMING. THE KSER FOUNDATION SOLD ITS RADIO STATION TOWER IN LYNNWOOD, WA IN NOVEMBER 2012. PROCEEDS FROM THE SALE WERE USED TO SET UP AN ENDOWMENT FUND AND TO FINANCE A NEW RADIO TOWER ON WHIDBEY ISLAND.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶ 376,671**

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		✓
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		✓
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	✓	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		✓
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?		✓
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		✓
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		✓
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		✓
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		✓
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	✓	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		✓
20 a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		✓

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	✓	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		✓
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V [X]

Table with columns for question number, description, and Yes/No response. Includes questions 1a through 14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, and Form 8886-T.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	<input checked="" type="checkbox"/>	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<input checked="" type="checkbox"/>	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<input checked="" type="checkbox"/>	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	<input checked="" type="checkbox"/>	
b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		<input checked="" type="checkbox"/>
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	<input checked="" type="checkbox"/>	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<input checked="" type="checkbox"/>	
13	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
14	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	<input checked="" type="checkbox"/>	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	<input checked="" type="checkbox"/>	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<input checked="" type="checkbox"/>
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **WASHINGTON**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **TOM CLENDENING, STATION MANAGER, 2623 WETMORE AVE. EVERETT, WA 98201 (425) 303-9070**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRENDA MANN HARRISON PRESIDENT	20			✓						
(2) HAYDEN BIXBY VICE PRESIDENT	15			✓						
(3) CANDACE MCKENNA SECRETARY	10			✓						
(4) JOHN THIELKE TREASURER	10			✓						
(5) BRAD GOERGEN BOARD MEMBER	5	✓								
(6) MARLA HAMILTON LUCAS BOARD MEMBER	5	✓								
(7) KARI KING BOARD MEMBER	5	✓								
(8) DAVID KOSAR (ON LEAVE) BOARD MEMBER	0	✓								
(9) PAM SOMERS BOARD MEMBER	5	✓								
(10) CHERYL TELFORD BOARD MEMBER	5	✓								
(11) TOM CLENDENING STATION MANAGER	40					✓	25,000			
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total										
c Total from continuation sheets to Part VII, Section A							25,000			
d Total (add lines 1b and 1c)							25,000			

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII.

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d					
	e Government grants (contributions)					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	243,714				
	g Noncash contributions included in lines 1a-1f: \$	11,625				
	h Total. Add lines 1a-1f ▶	243,714				
Program Service Revenue	2a <u>Broadcasting class</u>		Business Code			
			611430	1775		
	b -----					
	c -----					
	d -----					
	e -----					
	f All other program service revenue .					
g Total. Add lines 2a-2f ▶		1,775				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		151			
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
	6a Gross rents	(i) Real	116,761			
		(ii) Personal				
		b Less: rental expenses	25,607			
	c Rental income or (loss)	91,155				
	d Net rental income or (loss) ▶		91,155		91,155	
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other		839,754		
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss) ▶		839,754			
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a		16,855			
b Less: direct expenses b		7,150				
c Net income or (loss) from fundraising events . . ▶			9,705			
9a Gross income from gaming activities. See Part IV, line 19 a						
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities . . ▶					
10a Gross sales of inventory, less returns and allowances a						
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory . . ▶					
Miscellaneous Revenue		Business Code				
11a -----						
b -----						
c -----						
d All other revenue	900099	85				
e Total. Add lines 11a-11d ▶		85				
12 Total revenue. See instructions. ▶		1,186,339				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	25,729	7,000	13,729	5,000
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	114,363	75,960	5,000	33,403
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	23,208	5,141	15,687	2,880
10 Payroll taxes	12,494	7,347	1,746	3,401
11 Fees for services (non-employees):				
a Management	35,367		35,367	
b Legal	50		50	
c Accounting	983		983	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	21,177	21,177		
12 Advertising and promotion	228			228
13 Office expenses	26,473	15,000	5,000	6,473
14 Information technology	7,160	5,000	1,160	1,000
15 Royalties	2,652	2,652		
16 Occupancy	32,024	25,000	5,000	2,024
17 Travel	2,786	2,500	286	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	14,936	14,936		
23 Insurance	3,321		3,321	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Radio program expense	52,143	52,143		
b Subscriptions and dues	1,577	1,577		
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	376,671	235,433	87,329	53,909
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1 Cash—non-interest-bearing	33,871	1	291,938	
	2 Savings and temporary cash investments		2	400,151	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net		4		
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges		9		
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	786,067			
	b Less: accumulated depreciation	462,324	338,679	10c	323,743
	11 Investments—publicly traded securities		11		
	12 Investments—other securities. See Part IV, line 11		12		
	13 Investments—program-related. See Part IV, line 11	17,409	13	25,358	
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)	389,959	16	1,041,190		
Liabilities	17 Accounts payable and accrued expenses	96	17	1,725	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	148,112	23		
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25		
	26 Total liabilities. Add lines 17 through 25	148,208	26	1,725	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets		27		
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds	241,751	32	1,039,465	
33 Total net assets or fund balances	241,751	33	1,039,465		
34 Total liabilities and net assets/fund balances	389,959	34	1,041,191		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,186,339
2	Total expenses (must equal Part IX, column (A), line 25)	2	376,671
3	Revenue less expenses. Subtract line 2 from line 1	3	809,668
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	241,751
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	(11,955)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,039,464

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		<input checked="" type="checkbox"/>
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		<input checked="" type="checkbox"/>
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		<input checked="" type="checkbox"/>

Public Charity Status and Public Support

2012

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III—Functionally integrated d Type III—Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

	Yes	No
11g(i)		
 - (ii) A family member of a person described in (i) above?

	Yes	No
11g(ii)		
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(iii)		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	422,186	271,204	291,029	228,463	245,489	1,458,371
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .	37,394	21,366	39,686	15,410	16,855	130,711
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	459,580	292,570	330,715	243,873	262,344	1,589,082
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						1,589,082

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	459,580	292,570	330,715	243,873	262,344	1,589,082
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	101,894	105,343	98,781	90,386	116,912	513,316
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	101,894	105,343	98,781	90,386	116,912	513,316
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	561,474	397,913	429,496	334,259	379,256	2,102,398
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	75.58 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	77.31 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	24.42 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	22.69 %

19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization . ▶

b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

Schedule of Contributors

2012

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

Name of the organization

Employer identification number

KSER FOUNDATION

91-1642834

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

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

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

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

Name of organization KSER FOUNDATION	Employer identification number 91-1642834
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Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	THE BOEING COMPANY ----- PO BOX 24565 WAI-501-33-23 ----- SEATTLE, WA 98124 -----	\$ 20,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	TULALIP TRIBES ----- 6406 MARINE DRIVE ----- TULALIP, WA 98271 -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	MARKETING SOLUTIONS, INC. ----- 914 164TH ST. #400 ----- MILL CREEK, WA 98012 -----	\$ 11,375	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	SOUND ENGINEERING ----- 4913 WOODLAND PARK N ----- SEATTLE, WA 98103 -----	\$ 250	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization
KSER FOUNDATION

Employer identification number
91-1642834

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
3	CONSULTING ASSISTANCE GIVEN TO ASSESS FOUNDATION FUNDRAISING CAPABILITIES.	\$ 11,375	7/1/2012
4	CONSULTING WORK TO ASSESS EQUIPMENT COSTS.	\$ 250	11/1/2012
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

KSER FOUNDATION

Employer identification number

91-1642834

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space
- 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 - (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
 - (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
 - a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
 - b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	0	0	0	0	0
b Contributions					
c Net investment earnings, gains, and losses	500,000				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	500,000	0	0	0	0

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ 100%
 - b** Permanent endowment ▶ 0%
 - c** Temporarily restricted endowment ▶ 0%
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|---------------|----|
| (i) unrelated organizations | 3a(i) | ✓ |
| (ii) related organizations | 3a(ii) | ✓ |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	65,721			65,721
b Buildings	238,119		41,272	196,847
c Leasehold improvements				
d Equipment	455,124		399,140	55,984
e Other	53,063		20,995	5,191
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				323,743

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Construction work in process (KXIR)	25,358	Cost
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		25,358

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

The KSER FOUNDATION ENDOWMENT FUND WAS ESTABLISHED BY THE BOARD OF DIRECTORS AT THE DECEMBER 2012 MEETING. THE BOARD IS IN THE PROCESS OF PREPARING POLICIES AND GUIDELINES FOR THE ADMINISTRATION OF THE FUND THROUGH AN ENDOWMENT COMMITTEE THAT REPORTS TO THE BOARD. EVENTUAL INCOME FROM THE ENDOWMENT FUND WILL BE USED TO SUPPORT NON-COMMERCIAL RADIO STATION OPERATION THEREBY REPLACING FEDERAL FUNDING THAT FORMERLY WAS PROVIDED BY THE CORPORATION FOR PUBLIC BROADCASTING. IT IS THE LONG-TERM GOAL OF THE KSER FOUNDATION TO GROW THE ENDOWMENT FUND TO \$3 MILLION DOLLARS THROUGH GIFT SOLISITATIONS, FUND EARNINGS, AND OTHER OPPORTUNITIES.

Part XIII Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

Employer identification number

KSER FOUNDATION

91-1642834

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
 - a** Mail solicitations
 - b** Internet and email solicitations
 - c** Phone solicitations
 - d** In-person solicitations
 - e** Solicitation of non-government grants
 - f** Solicitation of government grants
 - g** Special fundraising events
- 2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
			Yes	No			
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

WASHINGTON

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Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		VOCA (event type)	(event type)	3 (total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts	9,690		7,255	16,855
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	9,690		7,255	16,855
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	790		1,500	2,290
	7 Food and beverages	1,307		213	1,520
	8 Entertainment	100		0	100
	9 Other direct expenses	2,681		559	3,240
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(7,150)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				9,705

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				()	
8 Net gaming income summary. Combine line 1, column d, and line 7 ▶					

- 9** Enter the state(s) in which the organization operates gaming activities: _____
- a** Is the organization licensed to operate gaming activities in each of these states? Yes No
- b** If "No," explain: _____
- _____
- 10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
- b** If "Yes," explain: _____
- _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____
 Address ▶ _____

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.
- c If "Yes," enter name and address of the third party:

Name ▶ _____
 Address ▶ _____

16 Gaming manager information:

Name ▶ _____
 Gaming manager compensation ▶ \$ _____
 Description of services provided ▶ _____
 Director/officer Employee Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

KSER EVENTS CONDUCTED IN 2012 INCLUDED: A SAILING SHIP AFTERNOON CRUISE ON THE ADVENTUROUS, A CONCERT BY SIMON LYNGE, THE VOICE OF THE COMMUNITY AWARD (VOCA) CELEBRATION, AND A LECTURE BY AMY GOODMAN.

Employer identification number

91-1642834

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

Complete if the organization answered "Yes" to Form 990, Part IV, lines 31 or 32; or Form 990-EZ, line 36. Attach certified copies of any articles of dissolution, resolutions, or plans. Attach to Form 990 or 990-EZ.

SCHEDULE N (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Name of the organization

KSER FOUNDATION

Part I Liquidation, Termination, or Dissolution. Complete this part if the organization answered "Yes" to Form 990, Part IV, line 31, or Form 990-EZ, line 36. Part I can be duplicated if additional space is needed.

Table with 7 columns: (a) Description of asset(s) distributed or transaction expenses paid, (b) Date of distribution, (c) Fair market value of asset(s) distributed or amount of transaction expenses, (d) Method of determining FMV for asset(s) distributed or transaction expenses, (e) EIN of recipient, (f) Name and address of recipient, (g) IRC section of recipient(s) (if tax-exempt) or type of entity.

2 Did or will any officer, director, trustee, or key employee of the organization: a Become a director or trustee of a successor or transferee organization? b Become an employee of, or independent contractor for, a successor or transferee organization? c Become a direct or indirect owner of a successor or transferee organization? d Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution? e If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III. Yes No 2a 2b 2c 2d

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Cat. No. 50087Z

Schedule N (Form 990 or 990-EZ) (2012)

Part I **Liquidation, Termination, or Dissolution (Continued)**

Note. If the organization distributed all of its assets during the tax year, then Form 990, Part X, column (B), line 16 (Total assets), and line 26 (Total liabilities), should equal -0-.

- 3 Did the organization distribute its assets in accordance with its governing instrument(s)? If "No," describe in Part III **3**
- 4a Is the organization required to notify the attorney general or other appropriate state official of its intent to dissolve, liquidate, or terminate? **4a**
- b If "Yes," did the organization provide such notice? **4b**
- 5 Did the organization discharge or pay all of its liabilities in accordance with state laws? **5**
- 6a Did the organization have any tax-exempt bonds outstanding during the year? **6a**
- b Did the organization discharge or defease all of its tax-exempt bond liabilities during the tax year in accordance with the Internal Revenue Code and state laws? **6b**
- c If "Yes" to line 6b, describe in Part III how the organization defeased or otherwise settled these liabilities. If "No," explain in Part III.

Part II **Sale, Exchange, Disposition, or Other Transfer of More Than 25% of the Organization's Assets.** Complete this part if the organization answered "Yes" to Form 990, Part IV, line 32, or Form 990-EZ, line 36. Part II can be duplicated if additional space is needed.

1	(a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or type of entity
	RADIO BROADCAST TOWER	11/1/2012	895,000	KSER ACCEPTED THE HIGHEST BID	65-0716501	SBA TOWERS IV LLC 5900 Broken Sound Parkway NW Boca Raton, Florida 33487	LLC

- 2 Did or will any officer, director, trustee, or key employee of the organization:
 - a Become a director or trustee of a successor or transferee organization? **2a** ✓
 - b Become an employee of, or independent contractor for, a successor or transferee organization? **2b** ✓
 - c Become a direct or indirect owner of a successor or transferee organization? **2c** ✓
 - d Receive, or become entitled to, compensation or other similar payments as a result of the organization's significant disposition of assets? **2d** ✓
 - e If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III. ▶

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

Name of the organization

KSER Foundation

Employer identification number

91-1642834

Part III – Statement of Program Service Accomplishments

During 2012, major program service accomplishments were the hiring of a new station manager, Mr. Frank Tom Clendening and the the continued improvement in local programming.

In addition to the program services described in 4a, KSER also conducted two 6-week training courses for people interested in radio broadcasting. These classes are taught by our volunteer on-air hosts with staff input.

Because of cost considerations, the KSER Foundation does not rely on commercial survey data to determine audience numbers.

However, based on previous polling, we believe KSER's average weekly audience is over 30,000 listeners. Support from listeners is solicited primarily by on-air fund drives and through the use of KSER's website, www.kser.org.

Part V – Statements Regarding Other IRS Filings and Tax Compliance

Line 3a: KSER Foundation rents space on its Lynnwood broadcast tower to telecommunications companies. The revenue from these rentals supports radio station operation. KSER files a 990T to report these unrelated earnings.

Line 7h: Individuals and others can donate vehicles to the KSER Foundation. These donations are handled by Charitable Auto Resources, Inc., 4669 Murphy Canyon Road, Suite 100, San Diego, CA 92123. This organization handles all the vehicle donation transactions, including tax reporting and gives KSER Foundation the net proceeds through direct bank deposit.

Part VI – Governance, Management, and Disclosure

Line 1a: One of KSER's board members was on leave at the end of the 2012.

Line 6: To be a member of KSER, individuals must give \$35 or more in any one year or donate at least 32 hours of service. Everyone is encouraged to donate what they can afford, but only those who contribute at or above these levels are eligible to vote in the annual elections for board members or approve changes to the KSER Foundation's governing documents.

Line 7a: KSER members (see 6 above) vote at the annual meeting to elect Board members. The KSER Board may appoint new members during the year, but these appointed members must be on the ballot at the next annual meeting. Board members serve terms of three years and no Board member may serve for more than three consecutive terms.

Name of the organization

Employer identification number

KSER Foundation

91-1642834

Line 7b: An affirmative vote of the KSER members is needed to make changes to KSER's governing documents. A copy of the KSER

Articles of Incorporation and bylaws are available on KSER's website and in the public file maintained at KSER's Everett office.

Line 8a: Minutes of monthly meetings of the Board of Directors and monthly treasurer's reports are posted at KSER offices,

2623 Wetmore Avenue, Everett, WA 98201.

Line 11b: Copies of the 990, 990T and all supporting schedules were first reviewed by the Budget and Finance Committee. Following

this review, the entire 990 and 990T packages were distributed electronically to all Board members. A motion to approve and

submit the 990 and 990T was moved, seconded and passed at the April 9, 2013 meeting of the KSER Board of Directors.

Line 12a: Conflict of Interest Policy: The KSER Foundation has a conflict of interest policy. All officers, Board members, and key

employees are required to disclose annually by means of a signed statement any interests that could give rise to conflicts. In addition,

all volunteers at KSER are required to sign a contract which prohibits the acceptance of any gifts or payments for playing certain

music during radio programs. The policy outlining volunteer responsibilities is available in the KSER Foundation volunteer

manual (currently being revised).

Line 12c: The Board has designated one of its members to track compliance with Foundation policies. Annually Board members are

required to sign a statement affirming compliance with conflict of interest and other policies.

Line 15: KSER conducts an annual written performance evaluation of its Station Manager. Coupled with this evaluation is a review

of salaries for similar positions in the Puget Sound region. On the basis of these data, the Executive Committee offers a salary

recommendation to the full Board of Directors which approves the compensation figure as part of the annual budgeting process.

Line 19: Copies of KSER's governing documents are kept in a public file located in the KSER office at 2623 Wetmore Avenue,

Everett, WA 98201. These and other official documents are open for public inspection during regular business hours. Copies of the

conflict of interest policy, 990 and 990T are included in the public documents. Monthly financial documents are posted at the

Foundation's offices.

Part VII - Compensation of Officers, Directors, Trustees, Key Employees

Mr. Frank Tom Clendening, KSER Station Manager, assumed his position on 1 July 2012. The reported compensation figure reflects

his salary for half of 2012. He replaced the former station manager, Mr. Bruce Wirth, who left KSER in early February 2012.

Name of the organization KSER Foundation	Employer identification number 91-1642834
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Part VIII – Statement of Revenue

Line 7a: KSER Foundation sold its broadcast tower in November 2012 to the SBA Corporation based in Boca Raton, FL. In December 2012 the Board of Directors committed \$500,000 from the sale for an endowment fund. The balance of the sale's proceeds are to be used to build a new radio station on Whidbey Island, KXIR, which is scheduled to go on the air by November 2013 and for an operating reserve. In addition to the tower sale and creation of the endowment fund, the Board of Directors is also conducting a 3-year comprehensive campaign to offset the costs of the new radio station.

Part IX – Functional Expenses

Column B: The program service expenses are all those costs related to non-commercial radio broadcasting. Management and general expenses are associated with the overall management of the radio station not attributable directly to programming and broadcasting. The fundraising expenses are the costs of maintaining the membership database, on-air pledge drives and general fundraising solicitations.

The radio program expense shown in line 24a is the cost to acquire syndicated national programs and pay for the interconnection costs to download this programming. The items making up this expense are:

Programming

Programming - General	\$1,200
-----------------------	---------

American Public Media	5,914
-----------------------	-------

PRI Programming	21,730
-----------------	--------

PRI Affiliation Fee	2,879
---------------------	-------

Interconnect Fees	17,160
-------------------	--------

Pacifica Radio	3,260
----------------	-------

Total Programming	\$52,143
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Name of the organization KSER Foundation	Employer identification number 91-1642834
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Part X – Balance Sheet

Line 2: Pending the creation of an Endowment Committee and investment policies and guidelines, the KSER Foundation has deposited \$400,000 plus accumulating interest into a money market fund. These monies will be included in the endowment funds.

Line 13: The figures reported on this line are the totals invested in the new radio station to be built on Whidbey Island during 2013.

Note that the balance sheet figures for 2011 were modified to reflect this program-related investment.

Part XI – Reconciliation of Net Assets

Line 9: Federal taxes deposited during 2012 as shown on books were \$11,955.

Other

Reconciliation of information in Parts VII, VIII, and IX: The Station Manager salary was partitioned between KSER Broadcast operations and oversight of the cell phone rental contracts (unrelated business income). The functional expenses shown in Part IX reflects only the portion of the Station Manager's salary directly attributable to radio station operations.

Tax Asset Detail 1/1/12 - 12/31/12

KSER Foundation
91-1642834
EYE: 12/31/2012

Asset	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depreciation	Tax Book Value	Tax Net	Tax Method	Tax Period
Group: Broadcasting Equipment													
4	Broadcasting equipment	5/2/1995	176,603	0	0	176,603	0	0	0	176,603	0	S/L	5.0
5	Transmitter/STL System	7/1/1999	75,844	0	0	75,844	0	0	0	75,844	0	S/L	10.0
6	CD Players	5/7/2002	378	0	113	378	0	0	0	378	0	2000B	7.0
7	MDs Recorders	5/28/2002	1,088	0	326	1,088	0	0	0	1,088	0	2000B	7.0
8	Minidisk Recorders	7/10/2002	978	0	293	978	0	0	0	978	0	2000B	7.0
9	Headphones	10/7/2002	76	0	23	76	0	0	0	76	0	2000B	7.0
10	Amp	7/1/2002	800	0	240	800	0	0	0	800	0	2000B	7.0
11	Stereo Receivers	7/1/2002	300	0	90	300	0	0	0	300	0	2000B	7.0
12	Minidisk Reporter Kits	7/1/2002	3,600	0	1,080	3,600	0	0	0	3,600	0	2000B	7.0
16	Minidisk Recorder Kit	1/6/2003	1,589	0	477	1,589	0	0	0	1,589	0	2000B	7.0
17	Minidisk Recorder	1/30/2003	489	0	147	489	0	0	0	489	0	2000B	7.0
18	Broadcast Filter	2/3/2003	608	0	182	608	0	0	0	608	0	2000B	7.0
19	CD Players	3/20/2003	185	0	56	185	0	0	0	185	0	2000B	7.0
20	Transmitter Filter	5/29/2003	513	0	257	513	0	0	0	513	0	2000B	7.0
21	Broadcasting Equipment	6/17/2003	530	0	265	530	0	0	0	530	0	2000B	7.0
22	Broadcasting Equipment	9/11/2003	246	0	123	246	0	0	0	246	0	2000B	7.0
23	Broadcasting Equipment	9/11/2003	255	0	127	255	0	0	0	255	0	2000B	7.0
24	Telephone System	9/11/2003	1,117	0	558	1,117	0	0	0	1,117	0	2000B	7.0
25	Omnia FM Audio Processor	11/19/2003	3,409	0	1,705	3,409	0	0	0	3,409	0	2000B	7.0
26	New Studio Equipment	12/15/2003	3,629	0	1,814	3,629	0	0	0	3,629	0	2000B	7.0
31	MD Players/Recorders	11/3/2004	1,278	0	639	1,278	0	0	0	1,278	0	2000B	7.0
35	Equipment	6/30/2004	26,360	0	13,180	26,360	0	0	0	26,360	0	2000B	5.0
37	Equipment	7/5/2005	107	0c	0	107	0	0	0	107	0	2000B	7.0
38	Equipment	6/30/2005	387	0c	0	387	0	0	0	387	0	2000B	7.0
42	Content Depot Upgrade	3/1/2005	7,592	0c	0	7,592	0	0	0	7,592	0	2000B	7.0
48	Equipment	2/20/2006	1,342	0c	0	1,209	117	0	0	1,326	16	2000B	7.0
49	Equipment	5/22/2006	785	0c	0	690	70	0	0	760	25	2000B	7.0
50	Equipment	6/26/2006	920	0c	0	800	82	0	0	882	38	2000B	7.0
51	HD Radio Transmitter	9/30/2007	98,042	0	44,881	7,088	7,088	0	0	51,969	46,073	2000B	15.0
52	Equipment	2/4/2008	3,535	0	2,431	2,746	315	0	0	2,746	789	2000B	7.0
53	Equipment	6/25/2008	6,536	0	4,493	584	584	0	0	5,077	1,459	2000B	7.0
54	Equipment	7/30/2008	499	0	342	45	45	0	0	387	112	2000B	7.0
55	Equipment	9/3/2008	1,223	0	841	109	109	0	0	950	273	2000B	7.0
56	Equipment	10/28/2008	886	0	610	79	79	0	0	689	197	2000B	7.0
Book correction													
			421,728	0c	21,695	364,258	8,489	372,747	48,982				
Group: Building													
Broadcasting equipment			421,728	0c	21,695	364,258	8,489	372,747	48,982				
3	Building	5/2/1995	3,415	0	0	3,415	0	0	0	3,415	0	S/L	5.0
27	Heating System	12/31/2003	1,488	0	744	1,488	0	0	0	1,488	0	2000B	7.0
28	Building-in Service	1/1/2004	103,706	0	0	21,161	2,659	0	0	23,820	79,886	S/L	39.0
29	Land	11/14/2003	70,619	0	0	0	0	0	0	70,619	0	Land	0.0
36	Building improvements	6/30/2004	47,391	0	0	9,163	1,215	0	0	10,378	37,013	S/L	39.0
39	Building improvements	6/30/2005	6,000	0c	0	581	83	0	0	664	5,336	S/L	39.0
46	Building art	6/1/2006	800	0c	0	632	114	0	0	746	54	S/L	7.0
Building			233,419	0c	744	36,440	4,071	40,511	192,908				
Group: Furniture & Fixtures													
2	Furniture and Fixtures	5/2/1995	4,351	0	0	4,351	0	0	0	4,351	0	S/L	5.0
13	Computer	7/1/2002	2,000	0	600	2,000	0	0	0	2,000	0	2000B	5.0
14	Office Furniture	7/1/2002	500	0	150	500	0	0	0	500	0	2000B	7.0

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15	Laser Printer	7/17/2002	1,000	0	300	1,000	0	1,000	0	2000B	5.0
32	Ladder for Music Library	7/21/2004	449	0	225	449	0	449	0	2000B	7.0
40	Production Furniture	1/18/2005	423	0c	0	423	0	423	0	2000B	7.0
43	Office Furniture	8/22/2006	1,038	0c	300	889	92	889	57	2000B	7.0
Furniture & Fixtures											
			9,761		1,575	9,612	92	9,704	57		
Group: Land	1	5/2/1995	65,721	0	0	0	0	0	65,721	Land	0.0
Land											
			65,721	0	0	0	0	0	65,721		
Group: Loan Fees	30	11/14/2003	3,000	0	0	817	100	917	2,083	Amort	30.0
Loan Fees											
			3,000	0	0	817	100	917	2,083		
Group: Office Equipment	33	11/23/2004	2,286	0	1,143	2,286	0	2,286	0	2000B	5.0
	34	1/23/2004	10,891	0	5,445	10,891	0	10,891	0	2000B	7.0
	41	11/28/2005	662	0c	0	662	0	662	0	2000B	5.0
	44	1/30/2006	2,776	0c	0	2,776	0	2,776	0	2000B	5.0
	45	8/28/2006	2,335	0c	0	2,335	0	2,335	0	2000B	5.0
	57	2/22/2008	3,000	0	0	2,064	268	2,332	668	2000B	7.0
	58	2/25/2008	2,989	0	0	2,055	267	2,322	667	2000B	7.0
	59	7/30/2008	4,122	0	0	2,835	368	3,203	919	2000B	7.0
Office Equipment											
			29,061		6,588	25,904	903	26,807	2,254		
Group: Lynnwood Tower	47	6/5/2006	1,030	0c	0	1,030	0	1,030	0	2000B	5.0
Lynnwood Tower											
			1,030	0	0	1,030	0	1,030	0		
Group: Software	60	6/2/2008	14,343	0	0	9,862	1,281	11,143	3,200	2000B	7.0
Software											
			14,343	0	0	9,862	1,281	11,143	3,200		
Grand Total											
			778,064	0c	30,602	447,923	14,936	462,859	315,205		