Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
THE JOHN AND DEBRA BACON FAMILY FOUNDATION

A Employer identification number
74-3070936

Number and street (or P O box number if mail is not delivered to street address) Room/suite
P.O. BOX 848

B Telephone number
(425) 256-2662

City or town, state, and ZIP code
MEDINA, WA 98039

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 2,199,374.

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

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

	Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc , received	51,642.			
2	Check ▶ ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	64,546.	64,545.		STATEMENT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	16,265.			
b	Gross sales price for all assets on line 6a 317,447.				
7	Capital gain net income (from Part IV, line 2)		16,265.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	<104,572.>	377.	0.	STATEMENT 2
12	**Total.** Add lines 1 through 11	27,881.	81,187.	0.	
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees STMT 3	300.	300.	0.	0.
b	Accounting fees STMT 4	1,905.	1,905.	0.	0.
c	Other professional fees STMT 5	10,642.	10,642.	0.	0.
17	Interest	121.	121.	0.	0.
18	Taxes STMT 6	1,971.	1,971.	0.	0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 7	23,255.	503.	0.	0.
24	**Total operating and administrative expenses** Add lines 13 through 23	38,194.	15,442.	0.	0.
25	Contributions, gifts, grants paid	407,062.			407,062.
26	**Total expenses and disbursements.** Add lines 24 and 25	445,256.	15,442.	0.	407,062.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	<417,375.>			
b	**Net investment income** (if negative, enter -0-)		65,745.		
c	**Adjusted net income** (if negative, enter -0-)			0.	

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	Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	52,108.	18,983.	18,983.
	2 Savings and temporary cash investments	1,515,533.	131,106.	131,106.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 8	1,049,108.	2,049,285.	2,049,285.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	2,616,749.	2,199,374.	2,199,374.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2,616,749.	2,199,374.	
	30 Total net assets or fund balances	2,616,749.	2,199,374.	
	31 Total liabilities and net assets/fund balances	2,616,749.	2,199,374.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,616,749.
2 Enter amount from Part I, line 27a	2	<417,375.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,199,374.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,199,374.

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	317,447.		301,182.	16,265.

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				16,265.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 16,265.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 } 3 N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	368,341.	1,567,174.	.235035
2009	362,217.	1,104,372.	.327985
2008	478,990.	1,362,869.	.351457
2007	43,972.	1,538,515.	.028581
2006	358,123.	1,271,301.	.281698

2	Total of line 1, column (d)	2	1.224756
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.244951
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,292,593.
5	Multiply line 4 by line 3	5	561,573.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	657.
7	Add lines 5 and 6	7	562,230.
8	Enter qualifying distributions from Part XII, line 4	8	407,062.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ______ (attach copy of letter if necessary-see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	1,315.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3	Add lines 1 and 2			3	1,315.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,315.
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	406.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	406.
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	909.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be. **Credited to 2012 estimated tax** ▶	Refunded ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0. **(2)** On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 9	10	X	

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

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

Website address ▶ N/A

14 The books are in care of ▶ MIKE GRIFFITH Telephone no ▶ (425) 256-2662

Located at ▶ C/O PAR 4, LLC - P.O. BOX 848, MEDINA, WA ZIP+4 ▶ 98039

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

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
(6)	Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

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

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

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

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		0.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 THE JOHN AND DEBRA BACON FAMILY FOUNDATION PROVIDES SUPPORT TO OTHER QUALIFIED 501(C)(3) ORGANIZATIONS ALLOWING THEM TO CARRY OUT CHARITABLE ACTIVITIES. ORGANIZATIONS SERVED = 15	407,602.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	1,869,109.
b	Average of monthly cash balances		1b	458,397.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	2,327,506.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	2,327,506.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	34,913.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	2,292,593.
6	**Minimum investment return.** Enter 5% of line 5		6	114,630.

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

1	Minimum investment return from Part X, line 6		1	114,630.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 1,315.		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	1,315.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	113,315.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	113,315.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	113,315.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	407,062.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	407,062.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	407,062.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					113,315.
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				0.	
b Total for prior years ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2011					
a From 2006	252,811.				
b From 2007					
c From 2008	412,019.				
d From 2009	307,428.				
e From 2010	290,354.				
f Total of lines 3a through e		1,262,612.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $	407,062.				
a Applied to 2010, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.			
d Applied to 2011 distributable amount					113,315.
e Remaining amount distributed out of corpus		293,747.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,556,359.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b Taxable amount - see instructions			0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr				0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7		252,811.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		1,303,548.			
10 Analysis of line 9					
a Excess from 2007					
b Excess from 2008	412,019.				
c Excess from 2009	307,428.				
d Excess from 2010	290,354.				
e Excess from 2011	293,747.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 11

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

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

a The name, address, and telephone number of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
BELLEVUE HIGH SCHOOL FOOTBALL BOOSTER CLUB 10416 WOLVERINE WY SE BELLEVUE, WA 98004	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	21,379.
BELLEVUE SCHOOLS FOUNDATION P.O. BOX 40644 BELLEVUE, WA 98015	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	1,000.
DETLEF SCHREMPF FOUNDATION 1904 THIRD AVENUE, #339 SEATTLE, WA 98101	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	15,000.
HOPELINK P.O. BOX 3577 REDMOND, WA 98073	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	29,927.
MEDINA PTA PO BOX 247 MEDINA, WA 98039	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	3,195.
Total SEE CONTINUATION SHEET(S)			▶ 3a	407,062.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

THE JOHN AND DEBRA BACON FAMILY
FOUNDATION 74-3070936

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BIGHORN BEHIND A MIRACLE 255 PALOWET DRIVE PALM DESERT, CA 92260	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	6,150.
INTERNATIONAL PERFORMING ARTS FOR YOUTH 1616 WALNUT STREET PHILADELPHIA, PA 19103	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	250.
SEATTLE CHILDREN'S HOSPITAL FOUNDATION P.O. BOX 5371/S-200 SEATTLE, WA 98145	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	20,000.
UNITED WAY OF KING COUNTY 720 SECOND AVENUE SEATTLE, WA 98104	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	300,000.
ODLE MIDDLE SCHOOL 14401 NE 8TH STREET BELLEVUE, WA 98007	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	400.
BIG BROTHERS BIG SISTERS OF PUGET SOUND 1600 SOUTH GRAHAM STREET SEATTLE, WA 98108	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	80.
ALS THERAPY DEVELOPMENT INSTITUTE 300 TECHNOLOGY SQUARE, SUITE 400 CAMBRIDGE, MA 02139	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	100.
KIDS QUEST MUSEUM 4091 FACTORIA MALL SE BELLEVUE, WA 98006	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	3,300.
STEVENSON ELEMENTARY SCHOOL 12111 NE 1ST STREET BELLEVUE, WA 98005	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	6,141.
LAKE HILL ELEMENTARY SCHOOL 14310 SOUTHEAST 12TH STREET BELLEVUE, WA 98007	NONE	501(C)(3) EXEMPT ORG.	FUNDING OF GENERAL CHARITABLE OPERATIONS	140.
Total from continuation sheets				336,561.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	64,546.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	<104,572.>	
8 Gain or (loss) from sales of assets other than inventory			18	16,265.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		<23,761.>	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 <23,761.>

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)
	NOT APPLICABLE

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

Signature of officer or trustee | Date 5/14/12 | Title SEC - TREASURER

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
GREGORY N. LACOMBE		5/11/12		P01226401

Firm's name ▶ WILLIAMSON & LACOMBE, CPA'S, PS | Firm's EIN ▶ 20-8746654

Firm's address ▶ 3927 LAKE WASHINGTON BLVD. NE
KIRKLAND, WA 98033-7867

Phone no (425) 822-1996

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

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization
THE JOHN AND DEBRA BACON FAMILY FOUNDATION

Employer identification number
74-3070936

Organization type (check one):

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

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization	Employer identification number
THE JOHN. AND DEBRA BACON FAMILY FOUNDATION	74-3070936

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	JOHN E. AND DEBRA BACON P.O. BOX 848 MEDINA, WA 98039	$ 50,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization
THE JOHN. AND DEBRA BACON FAMILY
FOUNDATION

Employer identification number
74-3070936

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

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

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

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

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

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

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

Name of organization	Employer identification number
THE JOHN .AND DEBRA BACON FAMILY FOUNDATION	74-3070936

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

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

THE JOHN AND DEBRA BACON FAMILY FOUNDATION
CONTINUATION FOR 990-PF, PART IV
74-3070936 PAGE 1 OF 1

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	INERGY LP	P	VARIOUS	VARIOUS
b	CAPITAL GAINS FROM MASTER LIMITED PARTNERSHIPS	P	VARIOUS	VARIOUS
c	GOLDMAN SACHS (ATTACHED SCHEDULES)	P	VARIOUS	VARIOUS
d	TC PIPELINES LP	P	07/13/10	02/04/11
e	GOLDMAN SACHS (ATTACHED SCHEDULES)	P	VARIOUS	VARIOUS
f	CAPITAL GAINS DIVIDENDS			
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	4,838.		7,805.	<2,967.>
b	455.			455.
c	254,075.		243,289.	10,786.
d	18,335.		15,053.	3,282.
e	37,984.		35,035.	2,949.
f	1,760.			1,760.
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				<2,967.>
b				455.
c				10,786.
d				3,282.
e				2,949.
f				1,760.
g				
h				
i				
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	16,265.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter "-0-" in Part I, line 8	3	N/A

REALIZED GAINS AND LOSSES

Supplemental Information - Consult your Form 1099 for tax reporting purposes

REALIZED GAIN AND LOSS SUMMARY

SHORT-TERM GAINS (LOSSES)		LONG-TERM GAINS (LOSSES)		ORDINARY GAINS (LOSSES)	
Net Covered Short-Term Gains (Losses)	(5,823 96)	Net Covered Long-Term Gains (Losses)	0 00	Net Ordinary Gains (Losses)	0 00
Net NonCovered Short-Term Gains (Losses)	16,610 15	Net NonCovered Long-Term Gains (Losses)	2,948 96		
Net 1099B Non Reportable Short-Term Gains (Losses)	0 00	Net 1099B Non Reportable Long-Term Gains (Losses)	0 00		
Net Miscellaneous Short-Term Gains (Losses)	0 00	Net Miscellaneous Long-Term Gains (Losses)	0 00	Net Miscellaneous Ordinary Gains (Losses)	0 00
Net Regulated Futures Contract Short Term Gains (Losses)	0 00	Net Regulated Futures Contract Long-Term Gains (Losses)	0 00		
Total Short-Term Gains (Losses)	**10,786 19**	**Total Long-Term Gains (Losses)**	**2,948 96**	**Total Ordinary Gains (Losses)**	**0.00**

SHORT-TERM GAINS (LOSSES)

Description (Product Identifier)	Date Acquired or Sold Short	Date Sold or Covered	Quantity	Sale Proceeds [5]	Total Accretion (Amortization)	Cost Basis [4]	Total Gain (Loss)
Covered Short-Term Gains (Losses)							
JUNIPER NETWORKS, INC CMN (48203R104)	04/13/2011	06/07/2011	90 00	2,936 82	0 00	3,451 03	(514 22)
SHAW GROUP INC CMN (820280105)	03/15/2011	08/12/2011	140 00	3,129 85	0 00	4,765 71	(1,635 86)
CAPELLA EDUCATION COMPANY CMN (139594105)	06/27/2011	08/18/2011	10 00	318 19	0 00	426 78	(108 60)
CAPELLA EDUCATION COMPANY CMN (139594105)	02/18/2011	08/18/2011	30 00	954 56	0 00	1,718 95	(764 40)
DEVRY INC DEL CMN (251893103)	03/29/2011	08/18/2011	40 00	1,644 20	0 00	2,168 24	(524 04)
SAFEWAY INC CMN (786514208)	02/23/2011	08/18/2011	120 00	2,128 14	0 00	2,681 42	(553 29)
SPIRIT AEROSYSTEMS HOLDINGS INC CMN (848574109)	02/11/2011	08/18/2011	240 00	3,563 47	0 00	6,072 22	(2,508 75)
VULCAN MATERIALS CO CMN (929160109)	06/16/2011	08/18/2011	60 00	1,827 43	0 00	2,282 61	(455 19)
STRAYER EDUCATION INC CMN (863236105)	02/07/2011	08/30/2011	20 00	1,925 07	0 00	2,450 05	(524 98)
NEWS CORPORATION CMN CLASS A (65248E104)	04/18/2011	09/22/2011	280 00	4,416 49	0.00	4,759 50	(343 01)
GENERAL MILLS INC CMN (370334104)	02/16/2011	10/31/2011	150 00	5,850.96	0 00	5,376 39	474 57
DISCOVER FINANCIAL SERVICES CMN (254709108)	05/20/2011	11/04/2011	110 00	2,683 39	0 00	2,750 61	(67 22)
SUCCESSFACTORS, INC CMN (864596101)	09/22/2011	12/05/2011	100 00	3,970 52	0 00	2,269 49	1,701 03
Net Covered Short-Term Gains (Losses)				**35,349.09**	**0.00**	**41,173.00**	**(5,823.96)**
NonCovered Short-Term Gains (Losses)							
THERMO FISHER SCIENTIFIC INC CMN (883556102)	10/15/2010	01/06/2011	120 00	6,788 62	0 00	5,846.40	942 22

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[4] Basis may have been increased by accruals of market discount and/or original issue discount or decreased by premium amortization This increase or decrease of basis assumes the investor has elected to include market discount in income currently and/or amortize premium currently You should consult with your own tax advisor to determine your correct basis

[5] Sale Proceeds may have been adjusted by an option premium due to an option assignment

Goldman Sachs

Realized and unrealized gains and loss values do not include securities for which cost basis is unavailable The recognition of any loss reflected herein may be disallowed or deferred by the application of capital loss limitations, wash sale rules or other special tax rules, and you are strongly urged to consult your own outside tax and other advisors about this and all tax-related matters addressed in any way herein All information regarding the cost basis and acquisition dates of securities that you acquired elsewhere and that were subsequently delivered into your Goldman Sachs account(s) were provided by you and/or a third party and Goldman Sachs makes no representation as to the accuracy and completeness of such information and it should not be relied upon as such

REALIZED GAINS AND LOSSES (Continued)

Supplemental Information - Consult your Form 1099 for tax reporting purposes

SHORT-TERM GAINS (LOSSES)

Description (Product Identifier)	Date Acquired or Sold Short	Date Sold or Covered	Quantity	Sale Proceeds [5]	Total Accretion (Amortization)	Cost Basis [4]	Total Gain (Loss)
NonCovered Short-Term Gains (Losses)							
BOSTON SCIENTIFIC CORP COMMON STOCK (101137107)	10/15/2010	01/11/2011	520 00	3,847 93	0 00	3,224 00	623 93
VULCAN MATERIALS CO CMN (929160109)	10/15/2010	01/12/2011	70 00	2,907 90	0 00	2,554 30	353 60
CHARLES SCHWAB CORPORATION CMN (808513105)	10/15/2010	01/13/2011	500 00	9,268 84	0 00	7,193 90	2,074 94
MARTIN MARIETTA MATERIALS,INC CMN (573284106)	10/15/2010	01/24/2011	20 00	1,721 06	0 00	1,590 60	130 46
WALGREEN CO CMN (931422109)	10/15/2010	01/26/2011	150 00	6,222 95	0 00	5,172 00	1,050 95
GEN-PROBE INCORPORATED CMN (36866T103)	10/15/2010	02/01/2011	110 00	6,965 81	0 00	5,257 00	1,708 81
PROGRESSIVE CORPORATION (THE) CMN (743315103)	10/15/2010	02/11/2011	520 00	10,435 15	0 00	10,706 80	(271 65)
MONSANTO COMPANY CMN (61166W101)	10/15/2010	02/14/2011	60 00	4,515 09	0 00	3,307 20	1,207 89
AMERICAN EXPRESS CO CMN (025816109)	10/15/2010	02/16/2011	70 00	3,261 70	0 00	2,761 50	500 20
MANPOWER GROUP CMN (56418H100)	10/15/2010	02/18/2011	20 00	1,346 57	0 00	1,089 60	256 97
THE HOME DEPOT, INC CMN (437076102)	10/15/2010	02/23/2011	210 00	7,857 81	0 00	6,430 20	1,427 61
SHERWIN-WILLIAMS CO CMN (824348106)	10/15/2010	04/06/2011	90 00	7,701 98	0 00	6,514 20	1,187 78
HESS CORPORATION CMN (42809H107)	10/15/2010	04/11/2011	60 00	4,903 38	0 00	3,818 40	1,084 98
BAKER HUGHES INC CMN (057224107)	10/15/2010	04/12/2011	40 00	2,671 97	0 00	1,818 80	853 17
WEATHERFORD INTERNATIONAL LTD CMN (H27013103)	10/15/2010	04/12/2011	160 00	3,366 22	0 00	2,948 80	417 42
WASTE MANAGEMENT INC CMN (94106L109)	10/15/2010	04/13/2011	110 00	4,137 33	0 00	4,033 70	103 63
JUNIPER NETWORKS, INC CMN (48203R104)	10/15/2010	04/29/2011	120.00	4,581 53	0 00	3,799 20	782 33
KOHL'S CORP (WISCONSIN) CMN (500255104)	10/15/2010	05/10/2011	120 00	6,362 64	0 00	6,325 20	37 44
AMERICAN EXPRESS CO. CMN (025816109)	10/15/2010	05/16/2011	80 00	4,016.39	0 00	3,156 00	860 39
AUTOMATIC DATA PROCESSING, INC CMN (053015103)	10/15/2010	05/16/2011	200 00	10,722 61	0 00	8,576 00	2,146 61
KOHL'S CORP (WISCONSIN) CMN (500255104)	10/15/2010	06/03/2011	60 00	3,072.31	0.00	3,162 60	(90 29)
JUNIPER NETWORKS, INC CMN (48203R104)	10/15/2010	06/07/2011	20 00	652.63	0 00	633 20	19 43
PEPSICO INC CMN (713448108)	10/15/2010	06/21/2011	130 00	8,969.14	0 00	8,668 40	300 74
KROGER COMPANY CMN (501044101)	10/15/2010	06/28/2011	160 00	3,903 22	0 00	3,550 40	352 82
THE BANK OF NY MELLON CORP CMN (064058100)	10/15/2010	06/28/2011	290 00	7,067 36	0 00	7,638 60	(571 24)

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[5] Sale Proceeds may have been adjusted by an option premium due to an option assignment

SHORT-TERM GAINS (LOSSES)

Description (Product Identifier)	Date Acquired or Sold Short	Date Sold or Covered	Quantity	Sale Proceeds [5]	Total Accretion (Amortization)	Cost Basis [4]	Total Gain (Loss)
NonCovered Short-Term Gains (Losses)							
UNITED THERAPEUTICS CORP CMN (91307C102)	11/19/2010	06/28/2011	40 00	2,182 42	0.00	2,540 80	(358 38)
KELLOGG COMPANY CMN (487836108)	10/15/2010	06/29/2011	80 00	4,420 02	0 00	4,023 20	396 82
SAFEWAY INC CMN (786514208)	10/15/2010	06/29/2011	160 00	3,703 81	0 00	3,508 80	195 01
MANPOWER GROUP CMN (56418H100)	10/15/2010	07/08/2011	80 00	4,483 79	0 00	4,358 40	125 39
BAKER HUGHES INC CMN (057224107)	10/15/2010	07/14/2011	10 00	740 87	0 00	454 70	286 17
BOSTON SCIENTIFIC CORP COMMON STOCK (101137107)	10/15/2010	07/14/2011	180 00	1,290 68	0 00	1,116 00	174 68
KRAFT FOODS INC CMN CLASS A (50075N104)	10/15/2010	07/14/2011	30 00	1,067 75	0 00	948 90	118 85
MONSANTO COMPANY CMN (61166W101)	10/15/2010	07/14/2011	30 00	2,245 45	0 00	1,653 60	591 85
OWENS-ILLINOIS INC CMN (690768403)	10/15/2010	07/14/2011	180 00	4,601 43	0.00	5,002 20	(400 77)
VISA INC CMN CLASS A (92826C839)	10/15/2010	07/14/2011	20 00	1,773 08	0 00	1,556 60	216 48
NORTHERN TRUST CORP CMN (665859104)	10/15/2010	07/21/2011	150 00	6,833 26	0 00	7,353 00	(519 74)
WASHINGTON POST CO CL B CMN CLASS B (939640108)	10/15/2010	07/22/2011	20 00	8,460 16	0 00	7,616 40	843 76
BOEING COMPANY CMN (097023105)	10/15/2010	08/12/2011	120 00	7,112 97	0 00	8,508 00	(1,395 03)
WASTE MANAGEMENT INC CMN (94106L109)	11/03/2010	08/12/2011	70 00	2,144 77	0 00	2,521 46	(376 69)
WASTE MANAGEMENT INC CMN (94106L109)	10/15/2010	08/12/2011	80 00	2,451 17	0 00	2,933 60	(482 43)
EAGLE MATERIALS INC CMN (26969P108)	10/15/2010	08/18/2011	170 00	3,086 07	0 00	4,119 10	(1,033 03)
SAFEWAY INC CMN (786514208)	10/15/2010	08/18/2011	140 00	2,482 82	0 00	3,070 20	(587 38)
VULCAN MATERIALS CO CMN (929160109)	10/15/2010	08/18/2011	50.00	1,522 86	0.00	1,824 50	(301 65)
MARTIN MARIETTA MATERIALS,INC CMN (573284106)	10/15/2010	08/30/2011	30 00	2,104 56	0 00	2,385 90	(281 34)
WESTERN UNION COMPANY (THE) CMN (959802109)	10/15/2010	09/06/2011	600 00	9,356 34	0 00	10,746 00	(1,389 66)
CERNER CORP CMN (156782104)	10/15/2010	09/13/2011	110.00	7,302 71	0 00	4,790 59	2,512 12
CERNER CORP CMN (156782104)	10/15/2010	09/20/2011	30 00	2,090 50	0 00	1,306 53	783 98
Net NonCovered Short-Term Gains (Losses)				**218,725.63**	**0.00**	**202,115.48**	**16,610.15**
		Total		254074.72		243288.48	10786 24

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[5] Sale Proceeds may have been adjusted by an option premium due to an option assignment

REALIZED GAINS AND LOSSES (Continued)

Supplemental Information - Consult your Form 1099 for tax reporting purposes

LONG-TERM GAINS (LOSSES)

Description (Product Identifier)	Date Acquired or Sold Short	Date Sold or Covered	Quantity	Sale Proceeds [5]	Total Accretion (Amortization)	Cost Basis [4]	Total Gain (Loss)
NonCovered Long-Term Gains (Losses)							
CISCO SYSTEMS, INC CMN (17275R102)	10/15/2010	10/31/2011	10 00	183 07	0 00	232 40	(49 33)
GENERAL MILLS INC CMN (370334104)	10/15/2010	10/31/2011	110 00	4,290 71	0 00	4,095 30	195 41
MASTERCARD INCORPORATED CMN CLASS A (57636Q104)	10/15/2010	10/31/2011	10 00	3,549 79	0 00	2,337 80	1,211 99
VISA INC CMN CLASS A (92826C839)	10/15/2010	10/31/2011	30 00	2,852 13	0 00	2,334 90	517 23
NORFOLK SOUTHERN CORPORATION CMN (655844108)	10/15/2010	11/04/2011	70 00	5,140 06	0 00	4,313 40	826 66
PALL CORP CMN (696429307)	10/15/2010	11/04/2011	70 00	3,633 01	0 00	3,054 80	578.21
CERNER CORP CMN (156782104)	10/15/2010	11/30/2011	60 00	3,589 29	0 00	2,613 05	976 24
CHARLES SCHWAB CORPORATION CMN (808513105)	10/15/2010	11/30/2011	430 00	5,019 85	0 00	6,186 75	(1,166 90)
FEDEX CORP CMN (31428X106)	10/15/2010	11/30/2011	40 00	3,312 23	0 00	3,586 80	(274 57)
UNITED PARCEL SERVICE, INC CLASS B COMMON STOCK (911312106)	10/15/2010	11/30/2011	90 00	6,414 22	0 00	6,280 20	134 02
Net NonCovered Long-Term Gains (Losses)				**37,984.36**	**0.00**	**35,035.40**	**2,948.96**

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
GOLDMAN SACHS #04589	47,435.	1,697.	45,738.
GOLDMAN SACHS #07303	6,745.	0.	6,745.
INCOME FROM MASTER LIMITED PARTNERSHIPS	546.	0.	546.
MERRILL LYNCH #2739	5,030.	63.	4,967.
MERRILL LYNCH #2740	6,450.	0.	6,450.
WELLS FARGO	100.	0.	100.
TOTAL TO FM 990-PF, PART I, LN 4	66,306.	1,760.	64,546.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
UNREALIZED LOSS ON INVESTMENTS	<104,949.>	0.	0.
INCOME FROM MASTER LIMITED PARTNERSHIPS	377.	377.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	<104,572.>	377.	0.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	300.	300.	0.	0.
TO FM 990-PF, PG 1, LN 16A	300.	300.	0.	0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,905.	1,905.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	1,905.	1,905.	0.	0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISORS FEE	10,642.	10,642.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	10,642.	10,642.	0.	0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,971.	1,971.	0.	0.
TO FORM 990-PF, PG 1, LN 18	1,971.	1,971.	0.	0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LICENSES	35.	35.	0.	0.
ADMINISTRATIVE EXPENSE	468.	468.	0.	0.
LOSS FROM MATER LIMITED PARTNERSHIPS	22,752.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 23	23,255.	503.	0.	0.

FORM 990-PF. CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
4,000 - BANK OF AMERICA CORP	27,800.	27,800.
GOLDMAN SACHS - PIMCO TOTAL RETURN A MUTUAL FUND	255,421.	255,421.
GOLDMAN SACHS - MLP'S	377,395.	377,395.
GOLDMAN SACHS - US MANAGED EQUITY FUND	474,994.	474,994.
AMERICAN CAPITAL AGENCY	58,960.	58,960.
CONOCOPHILLIPS	72,870.	72,870.
SEADRILL LTD	132,720.	132,720.
WHITING USA TRUST	16,750.	16,750.
ANNALY CAPITAL MANAGEMENT INC	49,590.	49,590.
REDWOOD TRUST INC	50,900.	50,900.
GOLDMAN SACHS - NON-US STOCKS	67,018.	67,018.
MERRILL LYNCH - US MANAGED EQUITY FUND	241,886.	241,886.
MERRILL LYNCH - NON-US MANAGED EQUITY FUND	222,981.	222,981.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,049,285.	2,049,285.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10 STATEMENT 9

NAME OF CONTRIBUTOR	ADDRESS
JOHN & DEBRA BACON	P.O. BOX 848 MEDINA, WA 98039

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JOHN E. BACON P.O. BOX 848 MEDINA, WA 98039	PRESIDENT 2.00	0.	0.	0.
DEBRA BACON P.O. BOX 848 MEDINA, WA 98039	VICE PRESIDENT 1.00	0.	0.	0.
MICHAEL V. GRIFFITH P.O. BOX 848 MEDINA, WA 98039	SECRETARY/TREASURER 0.50	0.	0.	0.
JOHN D. BACON P.O. BOX 848 MEDINA, WA 98039	DIRECTOR 0.00	0.	0.	0.
JOSEPH A. BACON P.O. BOX 848 MEDINA, WA 98039	DIRECTOR 0.00	0.	0.	0.
ANTHONY R. BACON P.O. BOX 848 MEDINA, WA 98039	DIRECTOR 0.00	0.	0.	0.
ALISSA B. BACON P.O. BOX 848 MEDINA, WA 98039	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

PART XV - LINE 1A LIST OF FOUNDATION MANAGERS

STATEMENT 11

NAME OF MANAGER

JOHN E. BACON
DEBRA BACON