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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

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation
The MacRae Foundation

A Employer identification number
91-2001720

Number and street (or P O box number if mail is not delivered to street address)
8030 SE 20th Street

Room/suite

B Telephone number (see instructions)
(206) 232-6040

City or town, state, and ZIP code
Mercer Island, WA 98040

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)* ▶$ 2,595,659

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	8,929	8,929		
	4	Dividends and interest from securities	95,267	95,267		
	5a	Gross rents				
	b	Net rental income or (loss) ______				
	6a	Net gain or (loss) from sale of assets not on line 10	172,558			
	b	Gross sales price for all assets on line 6a 2,441,853				
	7	Capital gain net income (from Part IV, line 2)		172,558		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	276,754	276,754		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0	0		0
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	4,500	0		4,500
	c	Other professional fees (attach schedule)				
	17	Interest	186	0		0
	18	Taxes (attach schedule) (see instructions)	13,140	1,719		0
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	39,053	38,973		80
	24	**Total operating and administrative expenses.** Add lines 13 through 23	56,879	40,692		4,580
	25	Contributions, gifts, grants paid	132,334			132,334
	26	**Total expenses and disbursements.** Add lines 24 and 25	189,213	40,692		136,914
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	87,541			
	b	**Net investment income** (if negative, enter -0-)		236,062		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	255,061	91,672	91,672
3	Accounts receivable ▶ Less allowance for doubtful accounts ▶	5,190		
4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	1,058,617	1,414,327	1,494,965
c	Investments—corporate bonds (attach schedule)	841,325	884,812	924,235
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	220,178	77,101	84,787
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,380,371	2,467,912	2,595,659
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	0	
	Foundations that follow SFAS 117, check here ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
27	Capital stock, trust principal, or current funds	2,380,371	2,467,912	
28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
29	Retained earnings, accumulated income, endowment, or other funds	0	0	
30	**Total net assets or fund balances** (see page 17 of the instructions)	2,380,371	2,467,912	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,380,371	2,467,912	

Assets: lines 1–16; Liabilities: lines 17–23; Net Assets or Fund Balances: lines 24–31.

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	2,380,371
2	Enter amount from Part I, line 27a	2	87,541
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	2,467,912
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	2,467,912

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	See Additional Data Table			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	See Additional Data Table			
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(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	See Additional Data Table			
b				
c				
d				
e				

2	Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	172,558
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	134,500	2,612,711	0 051479
2010	127,669	2,488,579	0 051302
2009	114,782	2,274,271	0 050470
2008	161,408	2,725,826	0 059214
2007	160,940	3,107,521	0 051790

2	**Total** of line 1, column (d).	2	0 264255
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . .	3	0 052851
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	2,595,324
5	Multiply line 4 by line 3.	5	137,165
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,361
7	Add lines 5 and 6.	7	139,526
8	Enter qualifying distributions from Part XII, line 4.	8	136,914

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 page 18 of the 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	4,721
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	4,721
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	4,721
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
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	0
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	105
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	4,826
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ **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		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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		No
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		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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	Yes	
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	Yes	
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	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶Caroline Jill Davis Telephone no ▶(206) 321-9119

Located at ▶8030 SE 20th Street Mercer Island WA ZIP +4 ▶98040

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

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

16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No

See 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 page 20 of the instructions)?	**1b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	**1c**		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ **Yes** ☑ **No**			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	**2b**		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ **Yes** ☑ **No**			
b	If "Yes," did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	**3b**		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	**4a**		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	**4b**		No

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

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

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

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
Caroline Jill Davis 8030 SE 20th Street Mercer Island, WA 98040	Director, President 0 00	0	0	0
Lesley A Poole 4711 89th Avenue SE Mercer Island, WA 98040	Director, VP, Secretary 0 00	0	0	0
Lissa M Tripp 19202 N Leslie Lane Colbert, WA 99005	Director, Treasurer 0 00	0	0	0

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

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

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

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

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

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

Total number of others receiving over $50,000 for professional services. . . . . ▶	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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3. . . . . ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	2,624,219
b	Average of monthly cash balances	1b	10,628
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	2,634,847
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	2,634,847
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	39,523
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,595,324
6	**Minimum investment return.** Enter 5% of line 5	6	129,766

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	129,766
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 4,721		
b	Income tax for 2012 (This does not include the tax from Part VI) — 2b		
c	Add lines 2a and 2b	2c	4,721
3	Distributable amount before adjustments Subtract line 2c from line 1	3	125,045
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	125,045
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	125,045

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	136,914
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	136,914
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	136,914

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

Part XIII **Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				125,045
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.			0	
b Total for prior years 20___ , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2012				
a From 2007. 10,984				
b From 2008. 25,988				
c From 2009. 2,410				
d From 2010. 4,335				
e From 2011. 24,661				
f **Total** of lines 3a through e.	68,378			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 136,914				
a Applied to 2011, 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 2012 distributable amount.				125,045
e Remaining amount distributed out of corpus	11,869			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	80,247			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount —see instructions		0		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . .	10,984			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	69,263			
10 Analysis of line 9				
a Excess from 2008. . . . 25,988				
b Excess from 2009. . . . 2,410				
c Excess from 2010. . . . 4,335				
d Excess from 2011. . . . 24,661				
e Excess from 2012. . . . 11,869				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling. . . . . . . ▶

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

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

Part XV **Supplementary Information (Complete this part only if the organization 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))

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

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*				
See Additional Data Table				
Total . . . . ▶ **3a**				132,334
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
1 Program service revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a					
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			14	8,929	
4 Dividends and interest from securities. . . .			14	95,267	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	172,558	
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		276,754	0

13 Total. Add line 12, columns (b), (d), and (e). **13** 276,754

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule

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

Sign Here

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

******	2013-05-13	******
Signature of officer or trustee	Date	Title

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
Donald W Stetson	Donald W Stetson			P00742848

Firm's name	Stetson Koenes PLLC	Firm's EIN 91-1693046
Firm's address	155 108th Avenue NE Suite 320 Bellevue, WA 980045901	Phone no (425) 635-1196

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
SUNTRUST BK ATLANTA GA - 100,000 SH		2012-01-11	2012-01-11
ACCO BRANDS CORP - 0 799 SHS		2011-09-07	2012-04-30
ACCO BRANDS CORP - 272 000 SHS		2011-09-07	2012-08-02
AMERICAN EXPRESS COMPANY - 263 000 SHS		2012-02-16	2012-09-27
CA INC - 512 000 SHS		2012-06-14	2012-11-07
CA INC - 489 000 SHS		2012-06-14	2012-11-08
CHUBB CORP - 363 000 SHS		2012-08-02	2012-11-30
CONOCOPHILLIPS - 373 000 SHS		2011-09-14	2012-05-18
CREDIT SUISSE NASSAU BRH - 59 000 SHS		2012-09-12	2012-12-20
CUMMINS INC - 260 000 SHS		2011-10-25	2012-06-14
DARDEN RESTAURANTS INC - 268 000 SHS		2011-09-07	2012-01-06
ENGILITY HOLDINGS INC - 0 833 SHS		2012-06-14	2012-07-17
ENGILITY HOLDINGS INC - 43 500 SHS		2012-06-14	2012-08-02
ENGILITY HOLDINGS INC - 15 500 SHS		2012-06-18	2012-08-02
GAP INC - 710 000 SHS		2011-10-06	2012-01-20
GENERAL ELECTRIC CO - 769 000 SHS		2011-12-21	2012-11-01
GENERAL ELECTRIC CO - 596 000 SHS		2012-04-26	2012-12-19
GENERAL ELECTRIC CO - 671 000 SHS		2011-12-21	2012-12-19
HASBRO INC - 370 000 SHS		2012-04-26	2012-11-01
HASBRO INC - 371 000 SHS		2012-04-26	2012-11-02
INTERNATIONAL BUSINESS - 133 000 SHS		2011-09-07	2012-07-12
ISHARES BARCLAYS MBS BOND FD - 25 000 SHS		2012-09-28	2012-12-20
ISHARES CORE S&P MID CAP ETF - 274 000 SHS		2012-05-31	2012-08-02
ISHARES CORE S&P SMALL CAP ETF - 898 000 SHS		2012-06-07	2012-06-25
ISHARES CORE S&P SMALL CAP ETF - 257 000 SHS		2012-09-14	2012-10-26
ISHARES CORE S&P SMALL CAP ETF - 257 000 SHS		2012-09-27	2012-11-08
ISHARES CORE S&P SMALL CAP ETF - 354 000 SHS		2012-10-04	2012-11-08
ISHARES CORE S&P SMALL CAP ETF - 202 000 SHS		2012-09-27	2012-11-08
ISHARES CORE S&P SMALL CAP ETF - 87 000 SHS		2012-09-14	2012-11-08
ISHARES INC - 902 000 SHS		2012-01-27	2012-05-02

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
ISHARES INC - 33 000 SHS		2012-01-27	2012-12-20
ISHARES INC - 2,998 000 SHS		2012-01-27	2012-06-22
ISHARES INC - 2,247 000 SHS		2011-12-06	2012-01-27
ISHARES INC - 2,287 000 SHS		2011-12-06	2012-04-12
ISHARES MSCI EAFE INDEX FUND - 23 000 SHS		2012-11-30	2012-12-20
ISHARES TRUST BARCLAYS 20+YEAR - 594 000 SHS		2011-11-15	2012-02-22
ISHARES TRUST DOW JONES US - 54 000 SHS		2012-09-14	2012-12-20
ISHARES TRUST MSCI EMERGING - 434 000 SHS		2012-01-11	2012-03-27
ISHARES TRUST MSCI EMERGING - 765 000 SHS		2012-01-11	2012-05-02
ISHARES TRUST MSCI EMERGING - 1,376 000 SHS		2012-01-11	2012-08-02
JOHNSON JOHNSON - 22 000 SHS		2012-06-27	2012-12-20
JPMORGAN CHASE CO - 1,733 000 SHS		2011-09-07	2012-06-22
JPMORGAN CHASE CO - 650 000 SHS		2012-03-05	2012-05-14
KLA-TENCOR CORP - 588 000 SHS		2011-09-07	2012-02-24
KLA-TENCOR CORP - 389 000 SHS		2012-08-02	2012-10-11
L-3 COMMUNICATIONS HOLDINGS - 180 000 SHS		2012-06-14	2012-12-17
L-3 COMMUNICATIONS HOLDINGS - 93 000 SHS		2012-06-18	2012-12-19
L-3 COMMUNICATIONS HOLDINGS - 86 000 SHS		2012-06-14	2012-12-19
MCDONALDS CORP - 180 000 SHS		2011-09-07	2012-08-02
MERCK CO INC - 283 000 SHS		2011-12-21	2012-10-11
MERCK CO INC - 286 000 SHS		2011-12-21	2012-11-30
MERCK CO INC - 12 000 SHS		2012-05-18	2012-12-20
MERCK CO INC - 102 000 SHS		2011-12-21	2012-12-20
MERCK CO INC - 177 000 SHS		2012-05-18	2012-12-20
METLIFE INC - 44 000 SHS		2012-10-11	2012-12-20
MICROSOFT CORP - 406 000 SHS		2012-01-06	2012-09-27
MOODYS CORP - 777 000 SHS		2011-09-07	2012-06-14
OCCIDENTAL PETE CORP - 307 000 SHS		2012-07-12	2012-10-04
ONEOK INC NEW - 133 000 SHS		2011-09-07	2012-03-22
ONEOK INC NEW - 132 000 SHS		2011-09-07	2012-03-23

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
PEOPLES UTD FINL INC - 962 000 SHS		2011-09-07	2012-04-11
PEOPLES UTD FINL INC - 934 000 SHS		2011-09-07	2012-04-12
PHILLIPS 66 - 0 500 SHS		2011-09-14	2012-04-30
PNC FINANCIAL SVCS GROUP INC - 220 000 SHS		2011-11-17	2012-08-02
PNC FINANCIAL SVCS GROUP INC - 18 000 SHS		2011-12-21	2012-10-26
PNC FINANCIAL SVCS GROUP INC - 170 000 SHS		2011-12-21	2012-10-26
PNC FINANCIAL SVCS GROUP INC - 257 000 SHS		2011-11-17	2012-10-26
POWERSHARES EXCHANGE TRADED - 222 000 SHS		2012-03-09	2012-12-20
POWERSHARES EXCHANGE TRADED - 6,215 000 SHS		2011-09-07	2012-01-27
POWERSHARES EXCHANGE TRADED - 247 000 SHS		2012-11-01	2012-12-20
POWERSHARES EXCHANGE TRADED - 121 000 SHS		2012-08-22	2012-12-20
POWERSHARES EXCHANGE TRADED - 142 000 SHS		2012-01-27	2012-12-20
SELECT SCTOR SPDR TR SBI UTILS - 76 000 SHS		2011-12-21	2012-12-20
SELECT SECTOR SPDR FUND - 592 000 SHS		2012-05-16	2012-06-25
SELECT SECTOR SPDR TRUST - 198 000 SHS		2011-12-01	2012-03-22
SELECT SECTOR SPDR TRUST - 200 000 SHS		2011-12-01	2012-03-23
SELECT SECTOR SPDR TRUST - 25 000 SHS		2012-11-16	2012-12-20
SPDR - 601 000 SHS		2011-09-13	2012-05-17
SPDR - 1,343 000 SHS		2011-09-07	2012-05-17
SPDR DOW JONES REIT - 720 000 SHS		2011-12-09	2012-09-17
SPDR GOLD TR - 187 000 SHS		2011-09-07	2012-05-17
SPDR GOLD TR - 138 000 SHS		2012-03-27	2012-05-17
TIME WARNER INC - 38 000 SHS		2012-06-27	2012-12-20
UNITEDHEALTH GROUP INC - 25 000 SHS		2012-09-27	2012-12-20
VANGUARD INTL EQUITY INDEX FD - 239 000 SHS		2012-08-29	2012-12-20
VANGUARD SCOTTSDALE FUNDS - 490 000 SHS		2012-02-22	2012-03-14
VANGUARD SCOTTSDALE FUNDS - 515 000 SHS		2012-09-28	2012-11-01
VANGUARD SCOTTSDALE FUNDS - 505 000 SHS		2012-02-22	2012-11-01
VANGUARD SCOTTSDALE FUNDS - 39 000 SHS		2012-09-28	2012-12-20
VANGUARD SECTOR INDEX FDS - 143 000 SHS		2011-09-07	2012-08-22

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
VANGUARD SECTOR INDEX FDS - 43 000 SHS		2012-12-19	2012-12-20
VANGUARD SECTOR INDEX FDS - 21 000 SHS		2012-11-08	2012-12-20
VANGUARD SPECIALIZED FUNDS - 675 000 SHS		2011-12-28	2012-04-26
VANGUARD SPECIALIZED FUNDS - 239 000 SHS		2012-03-14	2012-06-27
VANGUARD SPECIALIZED FUNDS - 696 000 SHS		2011-12-28	2012-06-27
VANGUARD SPECIALIZED FUNDS - 117 000 SHS		2012-03-14	2012-12-20
WELLPOINT INC - 367 000 SHS		2011-11-29	2012-02-24
WISDOMTREE TRUST - 88 000 SHS		2012-11-08	2012-12-20
WISDOMTREE TRUST EMERGING - 476 000 SHS		2011-09-07	2012-05-02
ALTRIA GROUP INC - 1,000 000 SHS		2011-09-09	2012-12-21
AMERICAN EXPRESS COMPANY - 343 000 SHS		2011-09-07	2012-09-27
APPLE INC - 4 000 SHS		2011-10-06	2012-12-20
BCE INC NEW - 830 000 SHS		2011-09-07	2012-11-30
CHEVRON CORPORATION - 203 000 SHS		2005-10-14	2012-05-31
CHEVRON CORPORATION - 260 000 SHS		2005-10-14	2012-11-16
GENERAL ELECTRIC CAPITAL CORP - 1,000 000 SHS		2011-09-09	2012-12-21
ISHARES IBOXX HIGH YIELD - 79 000 SHS		2011-12-02	2012-12-20
ISHARES TR JPMORGAN USD - 51 000 SHS		2011-09-07	2012-12-20
MCDONALDS CORP - 15 000 SHS		2011-09-07	2012-12-20
MEADWESTVACO CORP - 64 000 SHS		2011-09-07	2012-12-20
MICROSOFT CORP - 476 000 SHS		1991-01-02	2012-08-02
MICROSOFT CORP - 489 000 SHS		1991-01-02	2012-09-27
NORDSTROM INC - 29 000 SHS		2011-10-06	2012-12-20
PFIZER INC - 568 000 SHS		2011-09-07	2012-10-11
PFIZER INC - 1,337 000 SHS		2011-09-07	2012-11-16
PHILLIPS 66 - 186 000 SHS		2011-09-14	2012-10-26
POWERSHARES GLOBAL EXCHANGE - 5,212 000 SHS		2011-09-07	2012-09-28
POWERSHARES GLOBAL EXCHANGE - 131 000 SHS		2011-09-07	2012-12-20
QUALCOMM INC - 219 000 SHS		1996-11-13	2012-11-01
QUALCOMM INC - 10 000 SHS		1996-11-13	2012-12-20

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
QUALCOMM INC - 238 000 SHS		1996-11-13	2012-12-20
SELECT SECTOR SPDR FUND - 1,223 000 SHS		2011-09-07	2012-09-14
SHELL INTL FIN BV - 2,000 000 SHS		2011-09-09	2012-12-21
SPDR - 337 000 SHS		2011-09-13	2012-12-20
SPDR DOW JONES REIT - 45 000 SHS		2011-12-09	2012-12-20
TIFFANY CO NEW - 197 000 SHS		2011-09-07	2012-11-16
UBS AG JERSEY BRH - 50 000 SHS		2011-12-01	2012-12-20
VANGUARD FTSE EMERGING MARKETS - 295 000 SHS		2011-10-18	2012-12-20
VANGUARD SECTOR INDEX FDS - 31 000 SHS		2011-09-07	2012-12-20
VERIZON COMMUNICATIONS - 654 000 SHS		2009-11-12	2012-04-12
WAL-MART STORES INC - 467 000 SHS		2011-09-14	2012-11-08

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
100,037		100,037	0
8		7	1
2,193		2,461	-268
14,799		13,823	976
11,530		13,166	-1,636
10,864		12,574	-1,710
27,718		26,359	1,359
19,103		18,855	248
1,430		1,437	-7
24,205		24,162	43
11,876		11,904	-28
12		14	-2
644		738	-94
229		270	-41
13,228		12,092	1,136
16,365		13,471	2,894
12,576		11,680	896
14,159		11,754	2,405
13,392		13,456	-64
13,318		13,492	-174
24,394		22,139	2,255
2,699		2,731	-32
25,333		25,234	99
62,677		63,714	-1,037
19,217		19,217	0
19,081		21,350	-2,269
26,282		27,335	-1,053
14,997		15,648	-651
6,459		6,993	-534
39,728		38,946	782

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
1,546		1,425	121
57,376		64,594	-7,218
37,592		37,107	485
38,743		37,768	975
1,307		1,267	40
68,969		69,840	-871
3,234		3,149	85
18,891		17,077	1,814
32,352		30,101	2,251
53,202		54,142	-940
1,555		1,476	79
63,101		60,690	2,411
23,405		26,218	-2,813
28,305		20,956	7,349
17,580		20,005	-2,425
13,574		12,287	1,287
7,125		6,506	619
6,589		5,870	719
16,030		16,020	10
12,867		10,550	2,317
12,672		10,662	2,010
507		455	52
4,320		3,802	518
7,497		6,712	785
1,485		1,561	-76
12,172		11,336	836
27,218		23,425	3,793
25,974		25,540	434
10,848		9,232	1,616
10,805		9,162	1,643

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
12,036		11,303	733
11,774		10,974	800
15		15	0
12,774		11,627	1,147
1,041		1,043	-2
9,833		9,601	232
14,865		13,582	1,283
5,537		5,454	83
160,426		148,954	11,472
6,936		6,936	0
2,679		2,474	205
2,271		2,124	147
2,726		2,698	28
25,233		25,893	-660
14,172		13,991	181
14,344		14,132	212
1,828		1,710	118
23,113		22,745	368
51,648		51,222	426
54,991		44,947	10,044
28,499		33,060	-4,561
21,031		22,628	-1,597
1,834		1,441	393
1,385		1,404	-19
11,670		10,767	903
38,671		38,777	-106
41,541		41,375	166
40,734		39,964	770
3,133		3,133	0
12,890		11,215	1,675

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
3,076		3,139	-63
1,468		1,424	44
39,203		36,897	2,306
13,243		13,993	-750
38,567		38,045	522
7,042		6,850	192
24,230		24,637	-407
4,796		4,674	122
22,625		22,339	286
1,055		1,062	-7
19,301		16,995	2,306
2,100		1,524	576
35,189		32,634	2,555
19,870		12,077	7,793
26,462		15,468	10,994
1,053		1,011	42
7,407		6,867	540
6,253		5,673	580
1,347		1,335	12
2,022		1,548	474
13,890		182	13,708
14,661		187	14,474
1,512		1,388	124
14,270		10,758	3,512
31,769		25,323	6,446
8,512		5,588	2,924
99,346		93,862	5,484
2,523		2,359	164
13,017		588	12,429
630		27	603

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
14,938		639	14,299
48,555		40,616	7,939
2,085		2,079	6
13,787		12,754	1,033
3,306		2,809	497
11,695		13,836	-2,141
1,649		1,570	79
12,954		11,601	1,353
2,770		2,431	339
24,520		18,932	5,588
34,131		24,391	9,740

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			0
			1
			-268
			976
			-1,636
			-1,710
			1,359
			248
			-7
			43
			-28
			-2
			-94
			-41
			1,136
			2,894
			896
			2,405
			-64
			-174
			2,255
			-32
			99
			-1,037
			0
			-2,269
			-1,053
			-651
			-534
			782

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			121
			-7,218
			485
			975
			40
			-871
			85
			1,814
			2,251
			-940
			79
			2,411
			-2,813
			7,349
			-2,425
			1,287
			619
			719
			10
			2,317
			2,010
			52
			518
			785
			-76
			836
			3,793
			434
			1,616
			1,643

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			733
			800
			0
			1,147
			-2
			232
			1,283
			83
			11,472
			0
			205
			147
			28
			-660
			181
			212
			118
			368
			426
			10,044
			-4,561
			-1,597
			393
			-19
			903
			-106
			166
			770
			0
			1,675

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			-63
			44
			2,306
			-750
			522
			192
			-407
			122
			286
			-7
			2,306
			576
			2,555
			7,793
			10,994
			42
			540
			580
			12
			474
			13,708
			14,474
			124
			3,512
			6,446
			2,924
			5,484
			164
			12,429
			603

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			14,299
			7,939
			6
			1,033
			497
			-2,141
			79
			1,353
			339
			5,588
			9,740

Form 990PF Part XV Line 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*				
Camp Fire USA - Spokane Office 524 N Mullan Road Spokane, WA 99206	None	Non-Private Foundati	Not Specified	3,000
Farestart 700 Virginia Street Seattle, WA 98101	None	Non-Private Foundati	Not Specified	2,500
Friends of Fircrest 15230 15th NE Shoreline, WA 98155	None	Non-Private Foundati	Not Specified	13,000
MIYFS Foundation 2040 84th Ave Se Mercer Island, WA 98040	None	Non-Private Foundati	Not Specified	10,000
Pacific Northwest Ballet 301 Mercer Street Seattle, WA 98109	None	Non-Private Foundati	Not Specified	20,000
Port Townsend Marine Science Society 532 Battery Way Port Townsend, WA 983683636	None	Non-Private Foundati	Not Specified	2,500
Seattle Art Museum 100 University Street Seattle, WA 98101	None	Non-Private Foundati	Not Specified	50,000
Seattle Repertory Theatre 155 Mercer Street PO Box 900923 Seattle, WA 98109	None	Non-Private Foundati	Not Specified	10,000
See Your Impact 1416 112th Ave NE Bellevue, WA 98004	None	Non-Private Foundati	Not Specified	2,500
The Kohala Center Inc PO Box 437462 Kamuela, HI 96743	None	Non-Private Foundati	Not Specified	2,500
Three Ring Ranch Big Island KailuaKona, HI 967408815	None	Non-Private Foundati	Not Specified	15,334
Wanahaulua Congregational Church PO Box 188 Hana Mui, HI 96713	None	Non-Private Foundati	Not Specified	1,000
Total . . . . ▶ **3a**				132,334

TY 2012 Accounting Fees Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Accounting & Tax Services	4,500	0		4,500

TY 2012 Investments Corporate Bonds Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Name of Bond	End of Year Book Value	End of Year Fair Market Value
POWERSHARES EX TRD FD TR II SR LN PORT NYSE - 4,099 SHS	101,619	102,393
ISHARES TR BARCLAYS 20+YR TREASY BD FD	0	0
ISHARES TR JPMORGAN USD EM MK BD FD ETF - 876 SHS	96,870	107,564
ISHARES IBOXX $ HIGH YIELD CORP BD FD - 1,365 SHS	119,931	127,423
SPDR BARCLAYS HG YLD BD ETF - 5,816 SHS	221,393	236,769
ISHARES BARCLAYS MBS BOND FD ETF - 469 SHS	51,224	50,647
POWERSHARES GLOBAL EXC - 2,480 SHS	44,662	47,742
VANGUARD SCOTTSDALE FUNDS - 787 SHS	63,227	63,212
ALTRIA GROUP INC 8.5% - 36,000 SHS	38,168	38,357
SHELL INTL FIN BV SR UNSEC NOTES 4% - 47,000 SHS	48,816	49,068
U S BANCORP MED TERM NTS 4.2% - 21,000 SHS	21,879	22,048
JPMORGAN CHASE & CO 4.65% - 39,000 Shares	40,607	41,091
GENERAL ELECTRIC CAP CORP - 2.95% - 36,000 SHS	36,416	37,921

TY 2012 Investments Corporate Stock Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Name of Stock	End of Year Book Value	End of Year Fair Market Value
AMERICAN EXPRESS CO	0	0
APPLE INC - 60 Shares	22,859	31,930
BCE INC NEW	0	0
CHEVRON CORP	0	0
CONOCOPHILLIPS	0	0
CREDIT SUISSE NASSAU BRH - 1,047 SHS	25,494	25,275
CUMMINS INC	0	0
DARDEN RESTAURANTS INC	0	0
GAP INC	0	0
GENERAL ELECTRIC CO	0	0
INTERNATIONAL BUSINESS MACHINES CORP	0	0
ISHARES INC	0	0
ISHARES TRUST DOW JONES US - 1,052 SHS	60,118	62,394
JOHNSON & JOHNSON - 363 SHS	24,347	25,446
KLA-TENCOR CORP	0	0
MCDONALDS CORP - 279 Shares	24,831	24,611
MEADWESTVACO CORP - 763 Shares	18,452	24,317
MERCK & CO INC NEW - 308 Shares	11,680	12,610
METLIFE INC - 732 SHS	25,972	24,112
MICROSOFT CORP	0	0
MOODYS CORP	0	0
NORDSTROM INC - 441 Shares	23,260	23,594
ONEOK INC NEW	0	0
PEOPLES UTD FINL INC	0	0
PFIZER INC	0	0
PNC FINANCIAL SVCS CROUP INC	0	0
POWERSHARES EXCHANGE TRADED FD LOW VOL - 4,865 Shares	136,303	134,663
POWERSHARES EXCHANGE TRADED FD HG BETA - 2,033 SHS	41,984	44,563
QUALCOMM INC - 207 SHS	556	12,805
SELECT SCTOR SPDR FD SHS BEN INT ENERGY - 467 Shares	31,944	33,353

Name of Stock	End of Year Book Value	End of Year Fair Market Value
SELECT SCTOR SPDR FD SHS BEN INT HLTH CARE	0	0
SELECT SCTOR SPDR TR SBI UTILS SLCT IDX - 1,275 SHS	44,706	44,524
TIFFANY & CO NEW	0	0
TIME WARNER INC - 650 SHS	24,642	31,089
UNITEDHEALTH GROUP INC - 455 SHS	25,546	24,680
VANGUARD SECTOR INDEX FDS CONSUMER STAPLES - 621 SHS	53,048	54,589
VANGUARD SECTOR INDEX FDS INDUSTRIALS ETF - 834 SHS	60,890	59,423
VANGUARD SECTOR INDEX FDS INFO TECH ETF - 368 SHS	24,953	25,432
VANGUARD SPECIALIZED FDS DIV APP ETF - 1,925 SHS	109,713	114,672
VERIZON COMMUNICATIONS	0	0
WAL-MART STORES INC	0	0
WELLPOINT INC	0	0
WISDOMTREE TR EMER MKT SMCAP DIV ETF	0	0
WISDOMTREE TRUST LARGECAP DIVIDEND FUND ETF - 1,666 SHS	88,712	89,364
ISHARES INC MSCI PACIFIC EX-JAPAN INDEX FD - 567 SHS	24,482	26,728
ISHARES MSCI EAFE INDEX FUND - 464 SHS	25,566	26,383
POWERSHARES EXCHANGE TRADED FD TR INT DIV - 2,438 SHS	36,467	38,594
VANGUARD INT EQ IDX FDS MSCI EMER MKT - 5,158 SHS	210,535	229,686
VANGUARD INT EQ IDX FDS MSCI EUROPE ETF - 4,438 SHS	204,496	216,752
WISDOMTREE TRUST JAPAN HEDGED EQ FD - 905 SHS	32,771	33,376

TY 2012 Investments - Other Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
JPMORGAN CHASE & CO ALERIAN MLP IDX	AT COST	0	0
UBS AC JERS BRH ETRACS LKD ALERIAN MLP - 852 SHS	AT COST	26,744	27,724
SPDR DOW JONES REIT ETF - 782 SHS	AT COST	50,357	57,063
SPDR GOLD TR	AT COST	0	0

TY 2012 Other Expenses Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RBC Fees	28,792	28,792		0
Investment Fees	10,181	10,181		0
Office Expenses	45	0		45
State Licenses	35	0		35

TY 2012 Taxes Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Foreign Tax Withheld	1,719	1,719		0
Federal Taxes	11,421	0		0