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Form 990-PF

Department of the Treasury  
Internal Revenue ServiceReturn 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

, and ending

Name of foundation

TITCOMB FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

P. O. BOX 1278

Room/suite

City or town, state, and ZIP code

TACOMA, WA 98401-1278

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col. (c), line 16)

\$ 1,995,616. (Part I, column (d) must be on cash basis)

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)

A Employer identification number

91-6020513

B Telephone number

2532728336

C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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)
1	Contributions, gifts, grants, etc., received	3,000.		N/A	
2	Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	56,240.	56,240.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	52,277.			STATEMENT 1
b	Gross sales price for all assets on line 6a	345,937.			
7	Capital gain net income (from Part IV, line 2)		52,840.		
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	22,660.	660.		STATEMENT 3
12	Total. Add lines 1 through 11	134,177.	109,740.		
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees STMT 4	11,038.	5,519.		5,519.
c	Other professional fees				
17	Interest				
18	Taxes STMT 5	1,520.	1,287.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 6	690.	0.		690.
24	Total operating and administrative expenses. Add lines 13 through 23	13,248.	6,806.		6,209.
25	Contributions, gifts, grants paid	84,765.			84,765.
26	Total expenses and disbursements. Add lines 24 and 25	98,013.	6,806.		90,974.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	36,164.			
b	Net investment income (if negative, enter -0-)		102,934.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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Operating and Administrative Expenses

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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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	21,560.	34,574.	34,574.
	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	943,696.	943,102.	1,139,678.
	c Investments - corporate bonds STMT 9	386,638.	392,978.	435,952.
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	325,779.	319,896.	363,412.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 11)	22,000.	22,000.	22,000.
	16 Total assets (to be completed by all filers)	1,699,673.	1,712,550.	1,995,616.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	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 ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	1,699,673.	1,712,550.	
	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	1,699,673.	1,712,550.		
31 Total liabilities and net assets/fund balances	1,699,673.	1,712,550.		

## Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,699,673.
2 Enter amount from Part I, line 27a	2	36,164.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,735,837.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 7	5	23,287.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,712,550.

**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			
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	345,937.	293,097.	52,840.

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			52,840.

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	52,840.
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 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	89,825.	1,903,443.	.047191
2010	73,180.	1,780,494.	.041101
2009	99,173.	1,506,200.	.065843
2008	109,211.	1,870,296.	.058392
2007	102,428.	2,313,292.	.044278

2 Total of line 1, column (d)	2	.256805
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	.051361
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,896,477.
5 Multiply line 4 by line 3	5	97,405.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,029.
7 Add lines 5 and 6	7	98,434.
8 Enter qualifying distributions from Part XII, line 4	8	90,974.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	2,059.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	2,059.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	2,059.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a 1,200.	7	1,200.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	859.
d Backup withholding erroneously withheld	6d	10	
7 Total credits and payments. Add lines 6a through 6d		11	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			

**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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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?	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) <input type="checkbox"/> 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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**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		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? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>FIDUCIARY COUNSELLING INC.</u> Telephone no. ► <u>253-272-8336</u> Located at ► <u>P. O. BOX 1278, TACOMA, WA</u> ZIP+4 ► <u>98401-1278</u>			
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 <u>N/A</u>			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

**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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> ► <input type="checkbox"/>	1b	
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	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____ , _____ , _____		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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.) <u>N/A</u>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u>	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 2012?	4b	X

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**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

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?

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

6b

X

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 12		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 N/A	
	0.
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	1,887,621.
b Average of monthly cash balances	1b	37,736.
c Fair market value of all other assets	1c	0.
d Total (add lines 1a, b, and c)	1d	1,925,357.
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	1,925,357.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	28,880.
5 Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,896,477.
6 Minimum investment return. Enter 5% of line 5	6	94,824.

**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	94,824.
2a Tax on investment income for 2012 from Part VI, line 5	2a	2,059.
b Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	2,059.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	92,765.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	92,765.
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	92,765.

**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	90,974.
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	90,974.
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	90,974.

**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.

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

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
<b>1</b> Distributable amount for 2012 from Part XI, line 7				92,765.
<b>2</b> Undistributed income, if any, as of the end of 2012				
<b>a</b> Enter amount for 2011 only			84,763.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2012:				
<b>a</b> From 2007				
<b>b</b> From 2008				
<b>c</b> From 2009				
<b>d</b> From 2010				
<b>e</b> From 2011				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4: ► \$ 90,974.				
<b>a</b> Applied to 2011, but not more than line 2a			84,763.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2012 distributable amount				6,211.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				86,554.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2008				
<b>b</b> Excess from 2009				
<b>c</b> Excess from 2010				
<b>d</b> Excess from 2011				
<b>e</b> Excess from 2012				



**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
<b>a</b> Paid during the year				
SEE ATTACHED SCHEDULE	NONE	PUBLIC CHARITIES		84,765.
<b>Total</b>			▶ <b>3a</b>	84,765.
<b>b</b> Approved for future payment				
NONE				
<b>Total</b>			▶ <b>3b</b>	0.





## TITCOMB FOUNDATION

CONTINUATION FOR 990-PF, PART IV

91-6020513

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 <b>SHORT TERM CAPITAL GAINS</b>		P		
b <b>LONG TERM CAPITAL GAINS</b>		P		
c <b>LITIGATION SETTLEMENT</b>		P		
d <b>PLUS DISALLOWED WASH SALES</b>		P		
e <b>PLUS DISALLOWED WASH SALES</b>		P		
f <b>CAPITAL GAINS DIVIDENDS</b>				
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 50,577.		48,915.	1,662.
b 256,046.		244,182.	11,864.
c 611.			611.
d 6.			6.
e 557.			557.
f 38,140.			38,140.
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

(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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,662.
b			11,864.
c			611.
d			6.
e			557.
f			38,140.
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	52,840.
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

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT 1

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
SHORT TERM CAPITAL GAINS					
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
50,577.	48,915.	0.	0.	1,662.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
LONG TERM CAPITAL GAINS					
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
256,046.	244,182.	0.	0.	11,864.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
LITIGATION SETTLEMENT					
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
611.	0.	0.	0.	611.	



(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
PLUS DISALLOWED WASH SALES				
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
6.	6.	0.	0.	0.

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PLUS DISALLOWED WASH SALES					
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
557.	557.	0.	0.	0.	

CAPITAL GAINS DIVIDENDS FROM PART IV 38,140.

TOTAL TO FORM 990-PF, PART I, LINE 6A 52,277.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIDELITY	94,380.	38,140.	56,240.
TOTAL TO FM 990-PF, PART I, LN 4	94,380.	38,140.	56,240.

FORM 990-PF	OTHER INCOME	STATEMENT	3
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PROGRAM RELATED INVESTMENT INCOME	660.	660.	
PRI COST ADJUSTMENT	22,000.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	22,660.	660.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING & TAX SERVICE	11,038.	5,519.		5,519.
TO FORM 990-PF, PG 1, LN 16B	11,038.	5,519.		5,519.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	0.	1,287.		0.
2011 EXCISE TAX	320.	0.		0.
2012 EXCISE TAX	1,200.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,520.	1,287.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE FILING FEE	35.	0.		35.
MEMBERSHIP FEES	655.	0.		655.
TOTAL TO FORM 990-PF, PG 1, LN 23	690.	0.		690.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
EXPENSES NOT ON BOOKS	1,287.
PRI COST ADJUSTMENT	22,000.
TOTAL TO FORM 990-PF, PART III, LINE 5	23,287.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
U.S. LARGE COMPANIES-SEE ATTACHED STMT OF ASSETS	328,122.	367,337.
U.S. SMALL COMPANIES	180,662.	225,545.
DEVELOPED MARKETS	299,305.	374,281.
EMERGING MARKETS	135,013.	172,515.
TOTAL TO FORM 990-PF, PART II, LINE 10B	943,102.	1,139,678.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
TAXABLE BONDS	392,978.	435,952.
TOTAL TO FORM 990-PF, PART II, LINE 10C	392,978.	435,952.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HEDGE FUNDS	COST	158,099.	157,097.
INVESTMENT REAL ESTATE	COST	161,797.	206,315.
TOTAL TO FORM 990-PF, PART II, LINE 13		319,896.	363,412.

FORM 990-PF	OTHER ASSETS		STATEMENT 11
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PROGRAM RELATED INVESTMENT	22,000.	22,000.	22,000.
TO FORM 990-PF, PART II, LINE 15	22,000.	22,000.	22,000.

FORM 990-PF

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

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PETER C. TITCOMB P. O. BOX 1278 TACOMA, WA 98401-1278	PRESIDENT & DIR. 1.00	0.	0.	0.
ROHRE W.B TITCOMB P. O. BOX 1278 TACOMA, WA 98401-1278	VICE PRESIDENT 1.00	0.	0.	0.
HEATHER T MORLEY P. O. BOX 1278 TACOMA, WA 98401-1278	SECRETARY-TREASURER 1.00	0.	0.	0.
JOHN W TITCOMB, JR P. O. BOX 1278 TACOMA, WA 98401-1278	DIRECTOR 1.00	0.	0.	0.
STEPHEN T. TITCOMB P. O. BOX 1278 TACOMA, WA 98401-1278	DIRECTOR 1.00	0.	0.	0.
DAVID R. TITCOMB P. O. BOX 1278 TACOMA, WA 98401-1278	DIRECTOR 1.00	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 13

## NAME OF MANAGER

PETER C. TITCOMB  
JOHN W TITCOMB, JR  
STEPHEN T. TITCOMB  
DAVID R. TITCOMB



STATEMENT OF ASSETS AND LIABILITIES  
00012 - Titcomb Foundation  
As of 12/31/2011

PART II ATTACHMENT

Quantity	Description	Unit Tax Cost	Total Tax Cost	Market	Market Value	Unrealized	% Holding	Annual Income	Current Yield %
<b>Cash</b>									
	Fidelity Clearing 1		(\$51,000.00)		(\$51,000.00)		(2.90%)		
Cash			(\$51,000.00)		(\$51,000.00)		(2.90%)		
Cash			(\$51,000.00)		(\$51,000.00)		(2.90%)		
<b>Security Class</b>									
<b>Cash Equivalents</b>									
72,561.080	FIDELITY CASH RESERVES	\$1.00	\$72,561.08	\$1.00	\$72,561.08	\$0.00	4.13%	\$16.09	0.02%
Cash Equivalents			\$72,561.08		\$72,561.08	\$0.00	4.13%	\$16.09	0.02%
<b>Taxable Bonds</b>									
8,547.583	LOOMIS SAYLES BOND INSTL	\$12.60	\$107,711.73	\$13.93	\$119,067.83	\$11,356.10	6.77%	\$7,511.62	6.31%
3,873.352	PAYDEN & RYGEL HIGH INCOME CL R	\$7.31	\$28,299.53	\$6.90	\$26,726.13	(\$1,573.40)	1.52%	\$2,091.61	7.83%
4,663.262	PIMCO EMERGING MARKETS BOND FD	\$10.13	\$47,243.38	\$11.25	\$52,461.70	\$5,218.32	2.98%	\$2,734.54	5.21%
5,122.158	PIMCO EMERGING MARKETS CURRENCY FD	\$10.02	\$51,348.72	\$9.91	\$50,760.59	(\$588.14)	2.89%	\$942.48	1.86%
9,428.930	PIMCO TOTAL RETURN FD INST	\$10.51	\$99,105.57	\$10.87	\$102,492.47	\$3,386.90	5.83%	\$3,383.29	3.30%
4,275.244	TEMPLETON GLOBAL TOTAL RETURN FD ADVISOR CL	\$12.38	\$52,929.25	\$12.26	\$52,414.49	(\$514.76)	2.98%	\$2,557.45	4.88%
Taxable Bonds			\$386,638.19		\$403,923.20	\$17,285.01	22.98%	\$19,220.98	4.76%
<b>U.S. Large Cap Stocks</b>									
4,057.699	OAKMARK SELECT FD	\$29.66	\$120,341.81	\$27.98	\$113,534.42	(\$6,807.39)	6.46%	\$234.13	0.21%
2,902.591	SELECTED AMERICAN SHARES CL D	\$39.51	\$114,674.42	\$39.44	\$114,478.19	(\$196.23)	6.51%	\$876.58	0.77%
9,060.163	VANGUARD PRIMECAP CORE FD	\$11.63	\$105,399.53	\$13.49	\$122,221.60	\$16,822.07	6.95%	\$1,476.81	1.21%
U.S. Large Cap Stocks			\$340,415.76		\$350,234.21	\$9,818.44	19.93%	\$2,587.52	0.74%
<b>U.S. Small Cap Stocks</b>									
11,680.580	CLEARWATER SMALL COMPANIES FUND	\$14.88	\$173,861.70	\$16.91	\$197,518.61	\$23,656.91	11.24%	\$183.39	0.09%

This report includes transactions received by FCI prior to the closing of the reporting period. Information received subsequent to the period close will be recorded in the following month.



STATEMENT OF ASSETS AND LIABILITIES  
00012 - Titcomb Foundation  
As of 12/31/2011

Security Class	Quantity	Description	Unit Tax Cost	Total Tax Cost	Market	Market Value	Unrealized	% Holding	Annual Income	Current Yield %
U.S. Small Cap Stocks				\$173,861.70		\$197,518.61	\$23,656.91	11.24%	\$183.39	0.09%
International Developed Market Stocks										
2,960.292		AMERICAN EUROPA GROWTH FUND CLASS F2	\$28.36	\$83,960.77	\$35.11	\$103,935.85	\$19,975.08	5.91%	\$2,070.13	1.99%
1,730.952		DODGE & COX INTL STOCK FUND	\$35.62	\$61,657.14	\$29.24	\$50,613.04	(\$11,044.11)	2.88%	\$1,313.79	2.60%
4,322.968		MORGAN STANLEY INST INTL EQUITY	\$13.94	\$60,281.37	\$12.25	\$52,956.36	(\$7,325.01)	3.01%	\$0.00	0%
6,906.500		TEMPLETON INST FOREIGN SM COS	\$12.82	\$88,575.04	\$15.31	\$105,738.52	\$17,163.47	6.02%	\$16.58	0.02%
		International Developed Market Stocks		\$294,474.32		\$313,243.76	\$18,769.44	17.82%	\$3,400.50	1.09%
Emerging Market Stocks										
3,126.806		PARAMETRIC TAX MANAGED EMERGING MKTS INSTL	\$37.28	\$116,556.88	\$41.26	\$129,012.02	\$12,455.14	7.34%	\$1,972.70	1.53%
1,572.516		TOUCHSTONE EMERGING MARKETS FUND CL I	\$11.69	\$18,387.02	\$11.07	\$17,407.75	(\$979.27)	0.99%	\$176.36	1.01%
		Emerging Market Stocks		\$134,943.90		\$146,419.77	\$11,475.87	8.33%	\$2,149.06	1.47%
Alternative Investments										
4,003.857		HUSSMAN STRATEGIC GROWTH	\$12.83	\$51,371.72	\$12.43	\$49,767.94	(\$1,603.78)	2.83%	\$110.91	0.22%
9,142.110		PIMCO ALL ASSET INST CLASS	\$11.80	\$107,892.97	\$11.54	\$105,499.95	(\$2,393.02)	6.00%	\$7,354.28	6.97%
		Alternative Investments		\$159,264.69		\$155,267.89	(\$3,996.80)	8.83%	\$7,465.19	4.81%
Investment Real Estate										
6,365.882		EII GLOBAL PROPERTY FUND	\$17.71	\$112,708.98	\$13.42	\$85,430.14	(\$27,278.85)	4.86%	\$1,656.40	1.94%
4,135.326		THIRD AVENUE REAL ESTATE	\$13.01	\$53,804.78	\$20.30	\$83,947.12	\$30,142.34	4.78%	\$3,816.08	4.55%
		Investment Real Estate		\$166,513.76		\$169,377.25	\$2,863.50	9.64%	\$5,472.48	3.23%
Security Class				\$1,728,673.40		\$1,808,545.77	\$79,872.37	102.90%	\$40,495.20	2.24%
Net Worth				\$1,677,673.40		\$1,757,545.77		100.00%		

This report includes transactions received by FCI prior to the closing of the reporting period. Information received subsequent to the period close will be recorded in the following month.



STATEMENT OF ASSETS AND LIABILITIES  
00012 - Titcomb Foundation  
As of 12/31/2012

Quantity	Description	Unit Tax Cost	Total Tax Cost	Market	Market Value	Unrealized	% Holding	Annual Income	Current Yield %
<b>Cash</b>									
Cash	Fidelity Clearing 1		(\$84,775.00)		(\$84,775.00)		(4.25%)		
Cash			(\$84,775.00)		(\$84,775.00)		(4.25%)		
Cash			(\$84,775.00)		(\$84,775.00)		(4.25%)		
<b>Security Class</b>									
<b>Cash Equivalents</b>									
119,347.490	FIDELITY CASH RESERVES	\$1.00	\$119,347.49	\$1.00	\$119,347.49	\$0.00	5.98%	\$11.96	0.01%
<b>Cash Equivalents</b>									
			\$119,347.49		\$119,347.49	\$0.00	5.98%	\$11.96	0.01%
<b>Taxable Bonds</b>									
6,048.933	DOUBLELINE TOTAL RETURN BOND FD	\$11.18	\$67,650.24	\$11.33	\$68,534.41	\$884.18	3.43%	\$4,149.14	6.05%
10,919.618	LOOMIS SAYLES BOND INSTL	\$13.05	\$142,515.43	\$15.12	\$165,104.62	\$22,589.20	8.27%	\$9,506.62	5.76%
5,585.945	PIMCO EMERGING MARKETS BOND FD	\$10.40	\$58,095.97	\$12.50	\$69,824.31	\$11,728.34	3.50%	\$3,006.08	4.31%
9,720.401	TEMPLETON GLOBAL TOTAL RETURN FD ADVISOR CL	\$12.83	\$124,716.68	\$13.63	\$132,489.07	\$7,772.39	6.64%	\$5,840.99	4.41%
<b>Taxable Bonds</b>									
			\$392,978.31		\$435,952.41	\$42,974.10	21.85%	\$22,502.83	5.16%
<b>U.S. Large Cap Stocks</b>									
3,989.315	OAKMARK SELECT FD	\$29.38	\$117,222.34	\$30.97	\$123,549.09	\$6,326.74	6.19%	\$114.49	0.09%
2,911.083	SELECTED AMERICAN SHARES CL D	\$39.52	\$115,057.79	\$41.68	\$121,333.94	\$6,276.15	6.08%	\$2,171.67	1.79%
8,201.889	VANGUARD PRIMECAP CORE FD	\$11.69	\$95,842.27	\$14.93	\$122,454.20	\$26,611.93	6.14%	\$2,132.49	1.74%
<b>U.S. Large Cap Stocks</b>									
			\$328,122.40		\$367,337.23	\$39,214.82	18.41%	\$4,418.65	1.20%
<b>U.S. Small Cap Stocks</b>									
12,061.235	CLEARWATER SMALL COMPANIES FUND	\$14.98	\$180,661.57	\$18.70	\$225,545.09	\$44,883.52	11.30%	\$1,151.85	0.51%
<b>U.S. Small Cap Stocks</b>									
			\$180,661.57		\$225,545.09	\$44,883.52	11.30%	\$1,151.85	0.51%
<b>International Developed Market Stocks</b>									

This report includes transactions received by FCI prior to the closing of the reporting period. Information received subsequent to the period close will be recorded in the following month.





STATEMENT OF ASSETS AND LIABILITIES  
00012 - Titcomb Foundation  
As of 12/31/2012

Security Class	Quantity	Description	Unit Tax Cost	Total Tax Cost	Market	Market Value	Unrealized	% Holding	Annual Income	Current Yield %
<b>Security Class</b>										
3,019.440	AMERICAN EUROPACIFIC GROWTH FUND CLASS F2		\$28.61	\$86,377.55	\$41.15	\$124,249.96	\$37,872.41	6.23%	\$2,465.07	1.98%
1,829.526	DODGE & COX INTL STOCK FUND		\$35.53	\$65,009.86	\$34.64	\$63,374.78	(\$1,635.08)	3.18%	\$1,366.66	2.16%
4,413.824	MORGAN STANLEY INST INTL EQUITY		\$13.95	\$61,577.11	\$14.35	\$63,338.37	\$1,761.27	3.17%	\$1,322.73	2.09%
6,735.014	TEMPLETON INST FOREIGN SM COS		\$12.82	\$86,340.96	\$18.31	\$123,318.11	\$36,977.15	6.18%	\$1,807.00	1.47%
	<b>International Developed Market Stocks</b>			<b>\$299,305.48</b>		<b>\$374,281.22</b>	<b>\$74,975.74</b>	<b>18.76%</b>	<b>\$6,961.47</b>	<b>1.86%</b>
<b>Emerging Market Stocks</b>										
3,123.781	EATON VANCE PARAMETRIC T-M EMERGING MKTS		\$37.24	\$116,336.97	\$48.58	\$151,753.28	\$35,416.31	7.60%	\$2,940.10	1.94%
1,595.879	TOUCHSTONE EMERGING MARKETS FUND CL I		\$11.70	\$18,676.64	\$13.01	\$20,762.39	\$2,085.75	1.04%	\$94.49	0.46%
	<b>Emerging Market Stocks</b>			<b>\$135,013.61</b>		<b>\$172,515.67</b>	<b>\$37,502.06</b>	<b>8.64%</b>	<b>\$3,034.59</b>	<b>1.76%</b>
<b>Alternative Investments</b>										
4,060.607	HUSSMAN STRATEGIC GROWTH		\$12.80	\$51,979.51	\$10.71	\$43,489.10	(\$8,490.41)	2.18%	\$616.40	1.42%
9,030.810	PIMCO ALL ASSET INST CLASS		\$11.75	\$106,119.49	\$12.58	\$113,607.59	\$7,488.10	5.69%	\$5,811.51	5.12%
	<b>Alternative Investments</b>			<b>\$158,099.00</b>		<b>\$157,096.69</b>	<b>(\$1,002.31)</b>	<b>7.87%</b>	<b>\$6,427.91</b>	<b>4.09%</b>
<b>Investment Real Estate</b>										
6,091.418	EII GLOBAL PROPERTY FUND		\$17.54	\$106,819.85	\$16.98	\$103,432.28	(\$3,387.58)	5.18%	\$2,727.13	2.64%
4,055.305	THIRD AVENUE REAL ESTATE		\$13.56	\$54,977.50	\$25.37	\$102,883.09	\$47,905.58	5.16%	\$3,624.63	3.52%
	<b>Investment Real Estate</b>			<b>\$161,797.36</b>		<b>\$206,315.37</b>	<b>\$44,518.01</b>	<b>10.34%</b>	<b>\$6,351.76</b>	<b>3.08%</b>
<b>Receivables</b>										
22,000.000	CRAFT3 PRI 3.00% 12/01/13		\$1.00	\$22,000.00	\$1.00	\$22,000.00	\$0.00	1.10%	\$0.00	0%
	<b>Receivables</b>			<b>\$22,000.00</b>		<b>\$22,000.00</b>	<b>\$0.00</b>	<b>1.10%</b>	<b>\$0.00</b>	
	<b>Security Class</b>			<b>\$1,797,325.23</b>		<b>\$2,080,391.17</b>	<b>\$283,065.94</b>	<b>104.25%</b>	<b>\$50,861.01</b>	<b>2.44%</b>
	<b>Net Worth</b>			<b>\$1,712,550.23</b>		<b>\$1,995,616.17</b>		<b>100.00%</b>		

This report includes transactions received by FCI prior to the closing of the reporting period. Information received subsequent to the period close will be recorded in the following month.

**Titcomb Foundation**

P.O. Box 1278  
Tacoma, WA 98401-1278

**Schedule of Contributions Paid in 2012**

<b>Grantee Organization</b>	<b>Address</b>	<b>Public Charity</b>	<b>Purpose</b>	<b>Amount</b>
Africa Infectious Disease (AID) Village Clinics Inc.	440 W. Ontario Street Chicago, IL 60654	Yes	Pharmacy and Heart Patient Services	\$2,000.00
American Friends of UNRWA, Inc.	1666 K Street NW, Suite 440 Washington, DC 20006-1242	Yes	United Nations Relief and Works Agency for Palestien Refugees in the Near East	\$2,000.00
American Red Cross National Headquarters	2025 E Street, NW Washington, DC 20006	Yes	Hurricane Sandy relief	\$1,750.00
Animal Foundation of Great Falls	PO Box 3426 Great Falls, MT	Yes	general operating support	\$4,000.00
Craft3	203 Howerton Way, SE, P.O. Box 826 Ilwaco, WA 98624	Yes	Support expansion of energy efficiency activities to Northwest Oregon	\$6,203.00
Craft3	203 Howerton Way, SE, P.O. Box 826 Ilwaco, WA 98624	Yes	Support expansion of energy efficiency activities to Northwest Oregon	\$1,953.00
Eyak Preservation Council	PO Box 460 Cordova, AK 99574	Yes	general operating support	\$8,953.00

EIN 91-6020513

## Titcomb Foundation

P.O. Box 1278  
Tacoma, WA 98401-1278

### Schedule of Contributions Paid in 2012

Grantee Organization	Address	Public		Amount
		Charity	Purpose	
Great Falls Public Schools Foundation	PO Box 1645 Great Falls, MT 59403	Yes	Discovery Grant Program	\$4,000.00
Inter-Mountain Deaconess Home for Children	500 South Lamborn Street Helena, MT 59601	Yes	Residential cottages construction	\$2,000.00
Isla Holbox Spay Neuter Project	33925 Eglon Road NE Kingston, WA 98346	Yes	general operating support	\$1,000.00
Killer Whale Tales	PO Box 16453 Seattle, WA 98116	Yes	general operating support	\$1,000.00
Montana Food Bank Network	5625 Expressway Missoula, MT 59808	Yes	Forklift	\$4,953.00
NATIVE Conservancy	PO Box 460 Cordova, AK 99574	Yes	to support major donor program to raise funds to retire Bering River coal patent	\$8,000.00
Neighborcare Health	1537 Western Ave Seattle, WA 98101-1521	Yes	general operating support	\$3,000.00

EIN 91-6020513

## Titcomb Foundation

P.O. Box 1278  
Tacoma, WA 98401-1278

### Schedule of Contributions Paid in 2012

Grantee Organization	Address	Public Charity	Purpose	Amount
Neighborhoods	509 First Avenue South Great Falls, MT 59401-3604	Yes	general operating support	\$2,000.00
Pomegranate Center	PO Box 486 Issaquah, WA 98027	Yes	general operating support	\$1,000.00
Potlatch Fund	801 Second Avenue, Suite 304 Seattle, WA 98104	Yes	general operating support	\$2,000.00
Rain City Flyers	7051 Seventeenth Northeast Seattle, WA 98115	Yes	general operating support	\$1,000.00
Rainier Scholars	2100 24th Avenue S., Suite 360 Seattle, WA 98144	Yes	general operating support	\$1,500.00
RAINN	2000 L Street NW, Suite 406 Washington, DC 20036	Yes	general operating support	\$1,000.00
Seattle Young People's Project	2820 East Cherry Street Seattle, WA 98122	Yes	general operating support	\$2,000.00

EIN 91-6020513

## Titcomb Foundation

P.O. Box 1278  
Tacoma, WA 98401-1278

### Schedule of Contributions Paid in 2012

Grantee Organization	Address	Public Charity	Purpose	Amount
SHARE El Salvador	2425 College Avenue Berkeley, CA 94704	Yes	Mujeres Ganaderas Project	\$2,500.00
Sustainable Northwest	813 SW Alder, Suite 500 Portland, OR 97205	Yes	joint project from Sustainable Northwest and Northwest Natural Resource Group from the Coastal Forests and Communities Initiative Committee	\$16,953.00
The Wing, Wing Luke Museum of the Asian Pacific American Experience	719 South King Street Seattle, WA 98104	Yes	general operating support	\$1,000.00
Vashon-Maury Island Land Trust	PO Box 2031 Vashon, WA 98070	Yes	general operating support	\$1,000.00
Vegan Outreach, Inc.	P.O. Box 30865 Tucson, AZ 85751-0865	Yes	General Support	\$2,000.00
<b>Grand Totals (26 items)</b>				<b>\$84,765.00</b>

**PROGRAM RELATED INVESTMENT REPORT  
CRAFT3**

**2012 ANNUAL REPORT FOR**

**THE TITCOMB FOUNDATION**

<b>Organization:</b>	<b><u>Craft3 (formerly Enterprise Cascadia)</u></b>
<b>Project:</b>	<b><u>Program Related Investment for Revolving Loan Fund</u></b>
<b>Amount Funded:</b>	<b><u>\$22,000.00</u></b>
<b>Contact Person:</b>	<b><u>Maggie Kirby, Development Manager</u></b>
<b>Contact Information:</b>	<b><u>(360) 642-4265, ext 136; mkirby@craft3.org</u></b>

**I. Qualitative Report**

**1. What have Foundation funds been used for?**

The funds received from Titcomb Foundation are designated as a Program Related Investment (PRI) to Craft3's Revolving Loan Fund for the purposes of increased capitalization for lending to small businesses and entrepreneurs in Oregon and Washington. The following examples are current portfolio investments closed since the last report and are illustrative of the types of investing Titcomb Foundation's PRI has helped to support:

- **Sea-atco Seafoods in Olympia, WA.** A working capital loan through Craft3's Indian Country Initiative to a Quinault Tribal member and entrepreneur allowed him to grow his wholesale seafood business to bring local, value added products to urban markets. Through his leadership reforming Tribal law to allow for he and other Tribal fishermen to sell their seafood products to non-tribal companies, and by developing relationships with buyers in new markets, he is creating opportunity not only for himself but for his broader community.
- **North Coast Land Conservancy in Seaside, OR.** Bridge financing through Craft3's Conservation Bridge Fund supported a conservation land trust in its purchase of 40 acres of high value forest land and 2,600 feet of riparian area in for the preservation of critical habitat for Coho salmon.
- **Hawaiian Shellfish/ Nisbet Oyster Company Bay Center, WA.** Financing from Craft3 supported this regional company's purchase and establishment of an oyster seedling hatchery in Hilo, HI that provides the necessary seedlings to support a family owned and operated aquaculture business in Bay Center, WA. The result of this loan was the creation and retention of 74 full-time jobs and assistance to 70 low-income families in the region who depend on healthy oyster populations for their livelihood.

For additional examples of recent investments, please see the enclosed package of recent client stories where the above loans and others are described.

**2. To what extent have you accomplished the purposes of the project for which you received Foundation funds?**

Titcomb Foundation funds received through this PRI have been fully deployed into the Revolving Loan Fund and are generating triple bottom line impacts in our communities thus accomplishing the purpose of this investment. Specifically, these funds are helping directly by providing capital to support innovative work by entrepreneurs and small businesses in Washington and Oregon and indirectly by allowing Craft3 to leverage additional funds from other investors to provide greater capital access to borrowers throughout the region. Since our last report (from July 1, 2011 through June 30, 2012), Craft3 closed 1,233 loans for a total of \$74.6 million in financing to individuals, businesses and organizations in Oregon and Washington, resulting in the following outcomes:

- 8,876 low/moderate-income families assisted
- 1,770 jobs created or retained
- 58 minority or women-owned businesses assisted
- 13 value-added enterprises supported
- \$90.4 million in new investment leveraged
- \$358.5 million in local land tenure supported
- 21.2 million gallons of water diverted from the waste stream
- 410 acres of certified or sustainable land preserved; and
- 2,700 feet of riparian area restored or protected

During the second half of 2012, Craft3 plans to achieve its lending goals by making an additional \$22 million in investments across all of its loan products.

**3. Did you receive additional funding from this project from other sources? How much? From whom?**

Capitalization of Craft3's Revolving Loan Fund is an ongoing process and continues to be one of our greatest priorities, particularly at a time when non-traditional capital remains in high demand. During 2011 we had a goal of raising \$26.5 million in new resources. We ended the year at 167% of goal with \$44.3 million in grants and loans raised (\$34.4 million of which was capital) through our financial partners. In addition to the Titcomb Foundation's investment, key awards during 2011 included those from the City of Seattle, JPMorgan Chase, Bank of America, Meyer Memorial Trust and U.S. Department of Agriculture.

In addition to our existing partners, it is notable that Craft3 also partnered with several new institutions during the year. We were the largest awardee of the State of Washington's State Small Business Credit Initiative allocation at \$8.72 million; we received investments of \$1 million and over through both the U.S. Small Business Administration Intermediary Lending Pilot Program and the U.S. Treasury Small Business Lending Fund; we were one of the first awardees through a new partnership between Opportunity Finance Network and Starbucks Foundation (Create Jobs for USA); Weyerhaeuser Family Foundation made their first PRI in us; and we received our first investment from a mutual fund, Portfolio 21 Investments in Portland. Further, we were accepted by the SBA into their 7a Community Advantage Guarantee Pilot Program which will allow for us to make eligible small business loans that are 75-85% guaranteed by the federal government and then sell those loans through an

active secondary market which will increase our liquidity to continue making high impact loans to businesses in the region.

Given these results and in anticipation for increased demand for non-traditional financing in a very challenging economic climate for businesses and low-moderate income individuals, we once again set out aggressive fundraising goals to build the capital to meet the needs of our communities. In 2012 we have forecasted raising approximately \$24.5 million in grants and loans (for capital and operating support). As of July of this year, we are at \$12.8 million, with another \$10 million in late stage negotiations and \$30 million in the pipeline of which \$10 million is targeted for 2012. We are also presently preparing a new application to Treasury for another \$100 million in New Markets Tax Credit Authority, for which decisions should be made in early-mid 2013. The result of these capitalization efforts will allow us to expand deeper into underserved rural and urban communities throughout Oregon and Washington.

**4. What are your plans for this project over the next year? Will it continue? Does it need to?**

As non-traditional capital continues to be in demand in underserved, low-moderate-income communities throughout the region, it is critical for Craft3 to maintain its capitalization efforts and respond to new opportunities to grow its Revolving Loan Fund. In 2011, as described, we developed several new relationships through new partners or new programs through existing partners. In the beginning of 2012 we have been focused on increasing our borrowings from existing lenders to account for significant growth in our balance sheet. In the remainder of the year, we anticipate the launch of a new partnership in the \$5 million range to expand lending to small businesses as well as initiating borrowings with a few new lenders that are emerging into the CDFI landscape. With opportunities to expand institutional relationships we have delayed our efforts to engage individual "impact investors" through a new debt offering, but are working towards a launch of that product by the end of 2012.

While cultivating the support of new financial partners, it is our goal to retain all existing investors in the portfolio, including Titcomb Foundation, by continuing to be good financial stewards of their resources and delivering on triple bottom line outcomes in the communities we collectively serve. It is our hope and it is in the interest of these communities that Titcomb Foundation chooses to reinvest its loan in our Revolving Loan Fund.

**5. What problems have you experienced on this project so far? How were they solved?**

In our last report through mid-2011 we had been struggling somewhat with loans in our pipeline taking much longer to close. In the second half of the year and continuing through 2012 YTD we have seen this rebound considerably. Entrepreneurs that were hesitant to borrow additional capital seem more motivated and confident about moving forward. Further, in the emerging segment we described in our last report as the "formerly banked," we are still seeing a considerable need from this community that is not being fully met by banks. New clients are being reached through the growth of partnerships like the Washington State Small Business Credit Initiative and other visible programs. We are also being more active in our cultivation of entrepreneur networks, like Tabor 100 a Seattle-based social capital group that represents the interest of minority-owned businesses. Further, with our new name and brand,



we are being more active and strategic in the ways we are promoting our organization and the services we provide.

**6. What changes have occurred in your organization? What are your prospects?**

Craft3 has experienced many changes over the reporting period summarized in several categories including name and brand recognition, strategy and business plan, loan products, staffing and organizational capacity, and performance recognition

**Name and Brand Recognition**

As the Foundation was previously informed, effective January 1, 2012 our legal name changed from ShoreBank Enterprise Group, Pacific (dba Enterprise Cascadia) to Craft3. The word "craft" references the personalized and tailored nature of our lending to underserved borrowers in the region. These are businesses and individuals that are not able to access traditional capital and by working with them closely we craft capital solutions to meet their needs. The "three" symbolizes our continued triple bottom line mission to support economic, ecological and family resilience for the region. Our commitment to serve low-moderate income people and underserved communities in Oregon and Washington remains the same. Our new name and identity is resonating well with our partners, clients and the communities we serve.

**2012-2016 Strategy & Business Plan**

At the beginning of 2012, Craft3 released its new 5-year strategy and business plan forecasting tremendous growth during 2012-2016. During this planning period, Craft3 will create an institutional platform for strengthening resilience in Oregon and Washington at a much higher scale of impact; complete upgrades to the operating platform that will support long term growth of the company; affirm and refine strategies that have worked over the last 15 years; and provide a roadmap that informs annual implementation plans and benchmarks for the company's growth and impact on regional resilience.

The current year is an important one for creating a platform for the growth that will take place over the entire planning period. We are ramping up information technology infrastructure and building out organizational development capabilities. Further, in order to grow our presence in the region and be a truly relevant and representative regional institution, we must expand our physical footprint to cross the Cascade Mountains, which separate Oregon and Washington into very different places. In 2012, Craft3's current assessment activities to identify two new office locations will be completed and we will be feet on the ground in central/eastern parts of both states. Two or three additional locations are planned, pending a formal assessment, by the end of the planning period.

The full plan is available on Craft3's website at: <http://www.craft3.org/About/Strategy>.

**Products**

In November of 2011, Craft3 launched its Washington Small Business Credit Initiative Loan product, in partnership with the State of Washington Department of Commerce through their participation in the federal SSBCI program. Craft3 had identified an emerging segment within the region referred to as the "formerly banked." These are businesses that had, prior to 2008, been able to access traditional financing, but due to some balance sheet deterioration and

the tightening of bank regulations, are no longer able to access credit. At a time when job retention and creation is so important, this loan product provides financing to emerging and expanding small businesses throughout the State of Washington to maintain and grow their operations. As of July, 2012 \$1.6 million in financing has been provided to 4 businesses through this product, which has created/retained 61 jobs. Craft3 hopes that with a strong track record in Washington it will be able to partner with the State of Oregon and others so that these loans will be available across the entire two-state region.

In addition to developing new products like the SBCI loan, Craft3 has maintained a robust suite of financial products that fulfill the capital needs of the region (see attached Product Sheet). As a part of its strategic planning and rebranding efforts, Craft3 has refined its focus to include 2 major loan categories – commercial and consumer. Under the commercial umbrella, loans are made for commercial, community development and conservation purposes. This category includes business loans, nonprofit loans, Indian Country Initiative loans, the SBCI loan, and NMTC investments. Consumer loans today include residential energy efficiency retrofit loans available in Seattle, WA and Portland, OR (expanding to additional markets in Oregon), and septic improvement loans in Hood Canal, WA (expanding to additional markets in the Puget Sound region). Currently in development is the broadening of septic loans to include financing that supports water quality enhancements that are not limited to only reductions in nutrient contamination associated with failing septic systems, but perhaps stormwater mitigation and other solutions that improve water quality more broadly in Puget Sound.

#### **Staffing and Organizational Capacity**

Since our last report, Craft3 has continued to grow its staff with a few notable additions: Within the Finance Team two transitions and a new hire took place. In August 2011, Tawni Regier transitioned from her junior role in Portfolio Administration to serve as Craft3's Compliance Specialist. Reporting directly to our CFO, she works with government agencies, banks and foundation partners to ensure compliance with financial covenants, payments and reporting. Also that summer, Sheri Rabago joined the team as a Senior Accountant in support of Craft3's NMTC and SSBCI activities. Sheri came to us from Hewlett Packard where she had served as a Financial Analyst for 14 years. In July of this year, Abigail Bielemeier also transitioned from Senior Accountant to Controller and Treasurer (replacing Doug Hitsman). Her main duties are to design, implement, monitor and review the financial processes, transactions and reporting for Craft3. She also supervises members of the Finance Team. Abby has been with Craft3 for 2 years and prior to that worked in public accounting as a tax preparer and auditor.

Within the reporting period, two credit analysts – Mark Manzer and Rachel Stein—were added to the Lending Team to work with loan applicants and existing borrowers in support of Craft3's commercial lending activities. Their roles significantly increase the capacity of the team to serve a greater number of loan clients throughout the region. In addition Hand-in-hand with increasing lending productivity, Craft3 made a commitment to increasing the capacity of the Risk Management Team to 3 full time staff. In April 2012, Greg Bradley joined the team as Credit Risk Manager, bringing with him 20 years of lending and asset management experience.

One other notable addition to Craft3's team is the new position of Human Resources Specialist. Historically Craft3's HR functions were managed across a few different positions, but with current and forecasted growth we have made a commitment to a dedicated staff member in Page Palmer. Page joined the team in May of this year and comes to Craft3 with 10 years of experience in the field of Human Resources. Her duties include, among other things, benefits administration, performance management, and professional development. She reports directly to the Chief Administrative Officer.

Craft3 continues to grow its team of talented and passionate individuals to meet the demands for its services within the region. Today a full-time staff of 48 is dedicated to delivering financial products and expertise throughout Oregon and Washington.

#### **Performance Recognition**

Over the reporting period, the CDFI Assessment and Rating System (CARS) completed its 2011 audit of Craft3, the result of which was the retention of its high rating of AAA2, signifying that our portfolio management due diligence and impact performance exceeds industry standards. Craft3 has maintained this rating since it was first reviewed by CARS in 2008.

#### **7. Other comments:**

The following supporting documents that were referenced in this report are attached:

- Summer 2012 At A Glance
- Craft3 Product Sheet
- Recent Client Stories

#### **I. Quantitative Report**

<b>Project Budget (As Submitted)</b>		<b>Foundation Funds Expended So Far</b>	<b>Foundation Funds Remaining to be Spent</b>
<b>Item</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>PRI to Revolving Loan Fund</b>	\$22,000.00	\$22,000.00	\$0.00
<b>Totals:</b>	\$22,000.00	\$22,000.00	\$0.00