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

2013

Department of the Treasury
Internal Revenue Service

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▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

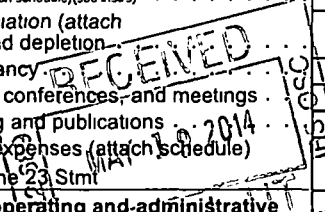
For calendar year 2013, or tax year beginning , 2013, and ending

Name of foundation The Ruth and Vernon Taylor Foundation, Montana		A Employer identification number 20-1746884
Number and street (or P O box number if mail is not delivered to street address) 1045 Reeves Road East	Room/suite E	B Telephone number (see the instructions) (406) 587-5594
City or town, state or province, country, and ZIP or foreign postal code Bozeman MT 59718-7701		C If exemption application is pending, check here. <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 6,965,495.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

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 (att sch)				
2 CK <input checked="" type="checkbox"/> If the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	176.	176.		
4 Dividends and interest from securities	116,692.	116,692.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-9,480.	L-6a Stmt		
b Gross sales price for all assets on line 6a	5,072,363.			
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
See Line 11 Stmt	-2,612.	4,377.		
12 Total. Add lines 1 through 11.	104,776.	121,245.	0.	
ADMINISTRATIVE EXPENSES				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch). L-16b Stmt.	1,922.	1,730.		192.
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see Instrs) See Line 18 Stmt	30,992.	5,992.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	3,209.	3,182.		9.
24 Total operating and administrative expenses. Add lines 13 through 23	36,123.	10,904.		201.
25 Contributions, gifts, grants paid	399,175.			399,175.
26 Total expenses and disbursements. Add lines 24 and 25	435,298.	10,904.		399,376.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-330,522.			
b Net investment income (if negative, enter -0-)		110,341.		
c Adjusted net income (if negative, enter -0-)			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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	31,778.	9,579.	9,579.
	2 Savings and temporary cash investments	1,817,163.	948,036.	948,036.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	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) . Schedule "A".	5,607,123.	6,282,524.	5,663,362.
	c Investments — corporate bonds (attach schedule) . Schedule "A".	433,626.	332,000.	331,000.
	11 Investments — land, buildings, and equipment: basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) . . Schedule "A".	20,272.	7,301.	12,317.	
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe . . Schedule "A")	0.	0.	1,201.	
16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I).	7,909,962.	7,579,440.	6,965,495.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)			
FUND ASSETS	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.	X		
	27 Capital stock, trust principal, or current funds	7,909,962.	7,579,440.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	7,909,962.	7,579,440.	
	31 Total liabilities and net assets/fund balances (see instructions)	7,909,962.	7,579,440.	

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	7,909,962.
2 Enter amount from Part I, line 27a	2	-330,522.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	7,579,440.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	7,579,440.

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 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1 a See Schedule "B"	P	Various	Various
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 5,072,363.		5,081,843.	-9,480.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-9,480.
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 -9,480.

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 If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0-
in Part I, line 8 3 -9,480.

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 (column (b) divided by column (c))
2012	412,024.	8,134,370.	0.050652
2011	404,414.	8,458,756.	0.047810
2010	354,777.	8,169,931.	0.043425
2009	355,214.	7,279,029.	0.048800
2008	334,732.	7,380,822.	0.045352

2 Total of line 1, column (d) 2 0.236039

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 0.047208

4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5. 4 7,128,083.

5 Multiply line 4 by line 3 5 336,503.

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 1,103.

7 Add lines 5 and 6. 7 337,606.

8 Enter qualifying distributions from Part XII, line 4 8 399,376.

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)

1 a 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 Instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,103.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,103.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,103.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a	4,017.	
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	4,017.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,914.	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax 2,914. Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) MT - Montana		
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	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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Form 990-PF (2013)

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 N/A	13	X	
14	The books are in care of James C. Taylor Telephone no. (406) 587-5594 Located at 1045 Reeves Road East, Suite E Bozeman, MT ZIP + 4 59718-7701			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15			
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country			

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

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

	Yes	No
1 a 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 checked="" type="checkbox"/> Yes <input 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)?	1 b	X
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1 c	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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	2 b	
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 __.		
3 a 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 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2013?	4 b	X

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Form 990-PF (2013)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5 a** 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)?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).

6 a 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.

7 a 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?**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
James C. Taylor 1045 Reeves Rd. E., Suite E Bozeman MT 59718	Director & Pres. 10.00	0.	0.	0.
Beatrice R. Taylor 1045 Reeves Rd. E., Suite E Bozeman MT 59718	Director & V.P. 0.00	0.	0.	0.
Peggy L. Olson 1045 Reeves Rd. E., Suite E Bozeman MT 59718	Sec/Treas. 10.00	0.	0.	0.
Susan R. Taylor 1045 Reeves Rd. E., Suite E Bozeman MT 59718	Director 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

None

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

Part IX-A Summary of Direct Charitable Activities

Expenses

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

Amount

Form 990-PF (2013)

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	4,694,501.
b Average of monthly cash balances	1b	2,540,930.
c Fair market value of all other assets (see instructions)	1c	1,201.
d Total (add lines 1a, b, and c)	1d	7,236,632.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	7,236,632.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	108,549.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	7,128,083.
6 Minimum investment return. Enter 5% of line 5	6	356,404.

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	356,404.
2a Tax on investment income for 2013 from Part VI, line 5	2a	1,103.
b Income tax for 2013 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	1,103.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	355,301.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	355,301.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	355,301.

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	399,376.
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	399,376.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,103.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	398,273.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				355,301.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			391,464.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2013:				
a From 2008 0.				
b From 2009 0.				
c From 2010 0.				
d From 2011 0.				
e From 2012 0.				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$ 399,376.				
a Applied to 2012, but not more than line 2a			391,464.	
b Applied to undistributed income of prior years (Election required — see instructions).				
c Treated as distributions out of corpus (Election required — see instructions).				
d Applied to 2013 distributable amount				7,912.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				347,389.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2009 0.				
b Excess from 2010 0.				
c Excess from 2011 0.				
d Excess from 2012 0.				
e Excess from 2013 0.				

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling.

N/A

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or☐ 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

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

James C. Taylor, Director & President

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

None

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed.

The Ruth and Vernon Taylor Foundation, Montana

1045 Reeves Road East, Suite E

Bozeman

MT

59718-7701

(406) 587-5594

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

No specific form required.

c Any submission deadlines.

No submission deadlines.

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

No restrictions or limitations.

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				
Partnership Pass Through Markwest Energy Partners Denver CO 80202	N/A	N/A	Charitable	0.
~~~~~				
See Attached Schedule "C"				
Multiple States including MT 00000	N/A	N/A	Charitable	399,175.
<b>Total . . . . .</b>			<b>3 a</b>	399,175.
<b>b Approved for future payment</b>				
N/A				
Bozeman MT 59718		N/A	N/A	0.
<b>Total . . . . .</b>			<b>3 b</b>	0.



**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions )
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a <u>Not Applicable</u>					
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	176.	
4 Dividends and interest from securities . . . . .			14	116,692.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property . . . . .					
b Not debt-financed property . . . . .					
6 Net rental income or (loss) from personal property . . . .					
7 Other investment income . . . . .			14	0.	
8 Gain or (loss) from sales of assets other than inventory . .	900003		18	-9,480.	0.
9 Net income or (loss) from special events . . . . .					
10 Gross profit or (loss) from sales of inventory . . .					
11 Other revenue					
a <u>Partnership Income/(Loss)</u>	900003	-6,989.	15	4,377.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e) . . . . .		-6,989.		111,765.	0.
13 Total. Add line 12, columns (b), (d), and (e) . . . . .				13	104,776.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]







**Form 990-PF**  
**Part I, Line 6a**

**Net Gain or Loss From Sale of Assets**

**2013**

Name The Ruth and Vernon Taylor Foundation, Montana	Employer Identification Number 20-1746884
--------------------------------------------------------	----------------------------------------------

**Asset Information:**

Description of Property . . . . . See Schedule "B"	
Date Acquired: <u>Various</u>	How Acquired: <u>Purchased</u>
Date Sold: <u>Various</u>	Name of Buyer: . . .
Sales Price: <u>5,072,363.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>5,081,843.</u>
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . <u>-9,480.</u>	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .
Description of Property: . . . . .	
Date Acquired: . . .	How Acquired: . . .
Date Sold: . . .	Name of Buyer: . . .
Sales Price: . . .	Cost or other basis (do not reduce by depreciation) . . .
Sales Expense: . . .	Valuation Method: . . .
Total Gain (Loss): . . .	Accumulation Depreciation: . . .



## Form 990-PF, Page 1, Part I, Line 11

**Line 11 Stmt**

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
Royalties - Finley Oil and Gas	4,377.	4,377.	
Markwest Energy K-1 (UBTI)	-7,004.	0.	
Mark. Ener.K-1 Sec.1231(UBTI)	15.	0.	
<b>Total</b>	<b>-2,612.</b>	<b>4,377.</b>	

## Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Taxes	186.	186.		
Taxes - Foreign	5,604.	5,604.		
Taxes - Severance	202.	202.		
Taxes - IRS (990-T)	115,000.	0.		
Taxes 990-T Refund	-90,000.	0.		
<b>Total</b>	<b>30,992.</b>	<b>5,992.</b>		

## Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Bank Charges	0.	0.		0.
Commissions & Brokerage Fees	3,100.	3,100.		0.
Licenses	15.	14.		1.
Postage	46.	41.		5.
Supplies - Office	30.	27.		3.
Partnership Expense-Noneduct.	18.	0.		0.
<b>Total</b>	<b>3,209.</b>	<b>3,182.</b>		<b>9.</b>

## Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Peggy L. Olson	Tax Processing	97.			
EideBailly, LLP	Review T/R, F/S	1,825.			

**Total** 1,922.



The Ruth and Vernon Taylor Foundation, Montana

EIN: 20-1746884

2013

-----RVTF-----				
End Of Year Quantity	Investment	Begin. Book Value	End Of Year Book Value	End Of Year Fair Market Value
<b>Line 1 - Cash - Non-Interest Bearing</b>				
N/A	Petty Cash	50 00	50 00	50 00
N/A	Checking - US Bank	31,727 63	9,528 73	9,528 73
<b>TOTAL - Line 1 - Non-Interest Bearing</b>		<b>31,777.63</b>	<b>9,578.73</b>	<b>9,578.73</b>
<b>Line 2 - Savings and Temporary Cash Investments</b>				
N/A	Savings - US Bank	58 79	65 42	65.42
N/A	Cash - JP Morgan	44,717 59	185,213 46	185,213 46
N/A	Money Market - JP Morgan	762,674 87	762,757 38	762,757 38
N/A	Proceeds from Pending Sales - JP Morgan	1,009,711 34	0 00	0 00
<b>TOTAL Line 2 - Savings and Temp. Cash Investments</b>		<b>1,817,162.59</b>	<b>948,036.26</b>	<b>948,036.26</b>



The Ruth and Vernon Taylor Foundation, Montana

EIN: 20-1746884

2013

----- RVTF -----

End Of Year Quantity	Investment	Begin. Book Value	End Of Year Book Value	End Of Year Fair Market Value
<b>Line 10b - Investments - Corporate Stock</b>				
20,000	Allstate Corp 6 625% Pfd	0 00	500,000 00	500,000 00
1,250	Anadarko Petroleum Corp	31,806 25	31,806 25	99,150 00
500	Apple Inc	0 00	235,309 00	280,510 00
-	Bank New York Mellon Corp 5 2% Pfd	650,000 00	0 00	0 00
35,000	Barrick Gold Corp	1,486,168 90	1,486,168 90	617,050 00
4,000	Cenovous Energy Inc	67,866 63	67,866 63	114,600 00
1,969	Chevron Corp	47,905 77	47,905 77	245,947 79
5,000	Devon Energy Corp	283,630 80	283,630 80	309,350 00
30,000	Encana Corp	389,329 55	571,699 55	541,500 00
20,000	Entergy Arkansas Inc	0 00	491,995 00	382,000 00
-	Exxon Mobil Corp	20,851 14	0 00	0.00
-	Goldman Sachs 5 95% Pfd	150,000 00	0 00	0 00
-	JPMorgan Chase & Co 5 5% Pfd	225,000 00	0 00	0 00
2,661	JPMorgan International Opportunities Fund	42,623 66	42,623 66	41,827.89
30,000	Kinder Morgan Inc	873,768 50	1,038,998 50	1,080,000 00
30,000	Nextera Energy Capital 5 1/8% Pfd	250,000 00	553,136 00	555,000 00
20,000	Proshares Short S&P 500	546,285 00	701,002 00	504,600 00
241	QSound Labs Inc	3,364 36	3,364 36	0 96
-	Suntrust Banks Inc	525,000 00	0 00	0 00
2,500	Units - Markwest Energy Partners LP	13,522 89	0 00	165,325 00
10,000	U S Cellular Corp 6 95%	0 00	227,018 00	226,500 00
<b>TOTAL Line 10b - Investments - Corporate Stock</b>		<b>5,607,123.45</b>	<b>6,282,524.42</b>	<b>5,663,361.64</b>
<b>Line 10c - Investments - Corporate Bonds</b>				
200,000	Alcoa Inc CV 5 1/4% (3/15/14)	332,000 00	332,000 00	331,000 00
91,250	Loewen Group International Inc	0 00	0 00	0 00
100,000	MOA Hospitality Inc Notes 8% 1/15/05	101,625 60	0 00	0 00
<b>TOTAL Line 10c - Investments - Corporate Bonds</b>		<b>433,625.60</b>	<b>332,000.00</b>	<b>331,000.00</b>
<b>Line 13 - Investments - Other</b>				
0 031	HB Multi-Strategy Holdings, LTD Class B #19	4,841 94	1,651 96	3,079 11
0 031	HB Multi-Strategy Holdings, LTD Class B #21	4,838 28	1,785 55	3,079 13
0 031	HB Multi-Strategy Holdings, LTD Class B #23	5,101 02	1,860 37	3,079 08
0 031	HB Multi-Strategy Holdings, LTD Class B #25	5,491.33	2,002 72	3,079 23
<b>TOTAL Line 13 - Investments - Other</b>		<b>20,272.57</b>	<b>7,300.60</b>	<b>12,316.55</b>
<b>Line 15 - Other Assets</b>				
N/A	Finley Resources, Inc	0 00	0 00	1,201 25
<b>TOTAL Line 15 - Other Assets</b>		<b>0.00</b>	<b>0.00</b>	<b>1,201.25</b>
<b>TOTAL Line 16 - Total Assets</b>		<b>7,909,961.84</b>	<b>7,579,440.01</b>	<b>6,965,494.43</b>



**The Ruth and Vernon Taylor Foundation-Montana**  
**EIN #20-1746884**  
**Form 990-PF (2013), Page 3, Part IV**  
**Capital Gains and Losses for Tax on Investment Income**

<b>Quantity</b>	<b>Security</b>	<b>Sales Price</b>	<b>Cost</b>	<b>Gain or (Loss)</b>
10,000 000	Astoria Financial Corp 6.5% Pfd	\$ 250,838.36	\$ 250,000.00	\$ 838.36
26,000	Bank NY Mellon Corp 5.2% Pfd	655,126.30	650,000.00	5,126.30
15,000.000	Capstead Mortgage Corp 7 5% Pfd	376,944.93	375,000.00	1,944.93
15,000.000	Capstead Mortgage Corp 7 5% Pfd	376,509.93	375,000.00	1,509.93
15,000	Cullen Frost Bankers Inc 5.375%	377,628.52	375,000.00	2,628.52
10,000 000	Cullen Frost Bankers Inc 5.375%	251,752.35	246,394.00	5,358.35
10,000	Duke Energy Corp 5.125% Pfd	248,423.42	250,000.00	(1,576.58)
696.000	Exxon Mobil Corp.	66,665.39	20,851.14	45,814.25
15,000.000	Goldman Sachs 5.5%	382,996.39	375,000.00	7,996.39
5,629	Goldman Sachs 5 95%	153,601.54	150,000.00	3,601.54
0.046	HB Multi-Strategy (Class B) Series 19	2,980.70	2,620.34	360.36
0 010	HB Multi-Strategy (Class B) Series 19	674.68	569.64	105.04
0.045	HB Multi-Strategy (Class B) Series 21	2,977.18	2,591.94	385.24
0.008	HB Multi-Strategy (Class B) Series 21	672.97	460.79	212.18
0.046	HB Multi-Strategy (Class B) Series 23	2,980.71	2,760.55	220.16
0.008	HB Multi-Strategy (Class B) Series 23	674.68	480.10	194.58
0 046	HB Multi-Strategy (Class B) Series 25	2,984.21	2,971.78	12.43
0.008	HB Multi-Strategy (Class B) Series 25	674.69	516.83	157.86
9,000	JPMorgan Chase & Co Pfd 5.5%	228,409.26	225,000.00	3,409.26
100,000 000	**** MOA Hospitality Inc. Notes 8% 1/15/05	-	101,625.60	(101,625.60)
10,000	Nextera Energy Capital 5.125% Ser I	251,699.35	250,000.00	1,699.35
21,000	Nustar Logistics LP 7.625% Pfd	538,671.91	525,000.00	13,671.91
15,000	Pitney Bowes Inc 6 7% Pfd	377,716.52	375,000.00	2,716.52
21,000	Suntrust Banks Inc 5.875% Pfd	520,759.01	525,000.00	(4,240.99)
<b>TOTALS</b>		<b>\$ 5,072,363.00</b>	<b>\$ 5,081,842.71</b>	<b>\$ (9,479.71)</b>

**** = Worthless Security



**The Ruth and Vernon Taylor Foundation-Montana**  
**EIN #20-1746884**  
**Form 990-PF (2013), Page 11, Part XV Supplementary Information**  
**Line 3a Grants and Contributions Paid During the Year**

<b>Name and Address</b>	<b>Relation.</b>	<b>Status</b>	<b>Purpose</b>	<b>Paid Amount</b>
Bozeman Schools Foundation P.O. Box 1803 Bozeman, MT 59771-1803	N/A	PC	Bldg. Renovation	150,000.00
Civic Theatre of Allentown 527 N. 19th Street Allentown, PA 18104-5020	N/A	PC	Digital Equipment	5,000.00
Lehigh Valley Health Network 2011 Mack Blvd. Allentown, PA 18105-4000	N/A	Sec. 170(b)(1) (A)(iii)-Hospital	Prone Immobilizer	7,675.00
Montana Arts P.O. Box 1872 Bozeman, MT 59771-1872	N/A	PC	MT Chamber Music	3,500.00
Montana State Univ. Foundation, Inc. P.O. Box 172750 Bozeman, MT 59717-2750	N/A	Sec. 170(b)(1) (A)(iv)	Film Project	15,000.00
Montana State Univ. School of Music P.O. Box 173420 Bozeman, MT 59717-3420	N/A	IRC Section 115	Endowment Fund	25,000.00
Museum of the Rockies Montana State University Bozeman, MT 59717-2730	N/A	PC	Planetarium Project	75,000.00
North Sanpete School District 220 East 700 South Mt. Pleasant, UT 84647	N/A	IRC Section 115	Playground Equip.	23,000.00
Prop. & Environ. Research Center 2048 Analysis Drive, Suite A Bozeman, MT 59718-6829	N/A	PC	General Support	5,000.00



**The Ruth and Vernon Taylor Foundation-Montana**  
**EIN #20-1746884**  
**Form 990-PF (2013), Page 11, Part XV Supplementary Information**  
**Line 3a Grants and Contributions Paid During the Year**

<b>Name and Address</b>	<b>Relation.</b>	<b>Status</b>	<b>Purpose</b>	<b>Paid Amount</b>
The Heritage Foundation 214 Massachusetts Ave. N.E. Washington, DC 20002-4999	N/A	PC	General Support	7,500.00
The Literacy Center 801 Hamilton St., Suite 201 Allentown, PA 18101-2420	N/A	PC	Furniture & Equip.	2,500.00
The Living Desert 47900 Portola Avenue Palm Desert, CA 92260	N/A	PC	Endowment Fund	80,000.00
				<b><u>399,175.00</u></b>