



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990-PF

Department of the Treasury  
Internal Revenue Service

## Return of Private Foundation

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

Do not enter Social Security numbers on this form as it may be made public.

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

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

, and ending

Name of foundation  
**PEGGY AND STEVE FOSSETT FOUNDATION**

Number and street (or P.O. box number if mail is not delivered to street address)  
**401 SOUTH LASALLE STREET**

Room/suite  
**200**

City or town, state or province, country, and ZIP or foreign postal code  
**CHICAGO, IL 60605-1014**

A Employer identification number  
**20-4521801**

B Telephone number  
**312-786-5054**

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 ☐

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)  
**\$ 23,485,918.** (Part I, column (d) must be on cash basis)

J Accounting method: ☐ Cash ☒ Accrual  
☐ Other (specify)

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	90.		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	135,874.	131,320.		STATEMENT 1
4	Dividends and interest from securities	288,635.	279,458.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	283,344.			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		283,344.		
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	-4,858.	-4,778.		STATEMENT 3
12	Total. Add lines 1 through 11	703,085.	689,344.		
13	Compensation of officers, directors, trustees, etc	100,695.	50,347.		50,348.
14	Other employee salaries and wages	64,886.	32,443.		32,443.
15	Pension plans, employee benefits				
16a	Legal fees STMT 4	1,371.	0.		0.
b	Accounting fees STMT 5	3,625.	0.		0.
c	Other professional fees				
17	Interest				
18	Taxes STMT 6	24,809.	18,115.		6,694.
19	Depreciation and depletion				
20	Occupancy	27,604.	0.		27,604.
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 7	134,716.	110,733.		23,983.
24	Total operating and administrative expenses. Add lines 13 through 23	357,706.	211,638.		141,072.
25	Contributions, gifts, grants paid	988,000.			988,000.
26	Total expenses and disbursements. Add lines 24 and 25	1,345,706.	211,638.		1,129,072.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-642,621.			
b	Net investment income (if negative, enter -0-)		477,706.		
c	Adjusted net income (if negative, enter -0-)			N/A	

**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing	13,884.		
	2 Savings and temporary cash investments	3,046,612.	846,387.	846,387.
	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	11,577,867.	12,483,142.	15,937,645.
	c Investments - corporate bonds STMT 9	4,793,276.	5,407,980.	5,388,686.
	11 Investments - land, buildings, and equipment basis ▶			
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶ STATEMENT 10)	1,261,691.	1,313,200.	1,313,200.	
16 <b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item 1)	20,693,330.	20,050,709.	23,485,918.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ )			
	23 <b>Total liabilities</b> (add lines 17 through 22)	0.	0.	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	20,693,330.	20,050,709.	
30 <b>Total net assets or fund balances</b>	20,693,330.	20,050,709.		
31 <b>Total liabilities and net assets/fund balances</b>	20,693,330.	20,050,709.		

**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	20,693,330.
2 Enter amount from Part I, line 27a	2	-642,621.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	20,050,709.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 <b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	20,050,709.

Form 990-PF (2013)

**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.)
<b>1a</b>			
<b>b</b> SEE ATTACHED STATEMENT			
<b>c</b>			
<b>d</b>			
<b>e</b>			

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b> 3,834,323.		3,550,979.	283,344.

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))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			283,344.

<b>2</b> Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	<b>2</b>	283,344.
--	---	----------	----------

<b>3</b> 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	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	<b>3</b>	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))
2012	1,107,055.	20,154,663.	.054928
2011	1,217,347.	19,785,000.	.061529
2010	876,716.	20,084,784.	.043651
2009	1,001,055.	17,367,182.	.057641
2008	0.	14,736.	.000000

<b>2</b> Total of line 1, column (d)	<b>2</b>	.217749
<b>3</b> 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	<b>3</b>	.043550
<b>4</b> Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	<b>4</b>	22,118,504.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	963,261.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	4,777.
<b>7</b> Add lines 5 and 6	<b>7</b>	968,038.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	1,129,072.

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	4,777.
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		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	4,777.
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	4,777.
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 2013 estimated tax payments and 2012 overpayment credited to 2013	6a 2,600.	7	2,600.
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	2,177.
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 checked="" 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 2014 estimated tax <input checked="" 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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
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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" 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 checked="" 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.		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
4a 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, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> IL		
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

N/A

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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>DAVID MAIER</u> Telephone no. ► <u>312-786-5054</u> Located at ► <u>401 SOUTH LASALLE STREET, CHICAGO, IL</u> ZIP+4 ► <u>60605</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 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? 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 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 2013?	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 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 ►		
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.) <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 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.) <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 2013?	4b	X

Form 990-PF (2013)

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PEGGY V. FOSSETT	PRESIDENT			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	10.00	0.	0.	0.
DAVID MAIER	SECRETARY/TREASURER			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	40.00	100,695.	0.	0.
THOMAS VIEHLAND	DIRECTOR			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	0.25	0.	0.	0.
ABRAHAM J. STERN	DIRECTOR			
191 N. WACKER DRIVE, SUITE 1800				
CHICAGO, IL 60606	0.25	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
BRIAN SPAETH - 401 SO LASALLE ST, SUITE 200, CHICAGO, IL 60605	40.00	64,886.	0.	0.

Total number of other employees paid over \$50,000

0

Form 990-PF (2013)

**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	
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	
<b>Total.</b> Add lines 1 through 3	0.

Form 990-PF (2013)



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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	19,108,356.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	2,035,781.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	1,311,197.
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	22,455,334.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	22,455,334.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	336,830.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	22,118,504.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	1,105,925.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	1,105,925.
<b>2a</b>	Tax on investment income for 2013 from Part VI, line 5	<b>2a</b>	4,777.
<b>b</b>	Income tax for 2013. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	4,777.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	1,101,148.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	1,101,148.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	1,101,148.

**Part XII****Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	1,129,072.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	1,129,072.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	4,777.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	1,124,295.

**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.

Form 990-PF (2013)

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

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
<b>1</b> Distributable amount for 2013 from Part XI, line 7				1,101,148.
<b>2</b> Undistributed income, if any, as of the end of 2013				
<b>a</b> Enter amount for 2012 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2013:				
<b>a</b> From 2008				
<b>b</b> From 2009	10,700.			
<b>c</b> From 2010				
<b>d</b> From 2011	230,845.			
<b>e</b> From 2012	104,482.			
<b>f</b> Total of lines 3a through e	346,027.			
<b>4</b> Qualifying distributions for 2013 from Part XII, line 4: ► \$ 1,129,072.				
<b>a</b> Applied to 2012, but not more than line 2a			0.	
<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 2013 distributable amount				1,101,148.
<b>e</b> Remaining amount distributed out of corpus	27,924.			
<b>5</b> Excess distributions carryover applied to 2013 (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	373,951.			
<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 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				0.
<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 2008 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	373,951.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2009	10,700.			
<b>b</b> Excess from 2010				
<b>c</b> Excess from 2011	230,845.			
<b>d</b> Excess from 2012	104,482.			
<b>e</b> Excess from 2013	27,924.			



**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> <i>Paid during the year</i>				
PUBLIC CHARITIES--SEE ATTACHED LIST	NONE	PUBLIC CHARITIES	GENERAL OPERATIONS	988,000.
<b>Total</b>			▶ <b>3a</b>	988,000.
<b>b</b> <i>Approved for future payment</i>				
NONE				
<b>Total</b>			▶ <b>3b</b>	0.



14410507 756887 FOSSETT.990 2013.03040 PEGGY AND STEVE FOSSETT FOU FOSSET11

**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	1400 SH AMAZON	P	09/03/07	01/31/13
b	100,000 BRISTOL MYERS NOTES	P	10/03/11	08/15/13
c	2600 SH ECOLAB	P	03/02/11	11/25/13
d	4000 SH EMERSON ELECTRIC	P	02/27/12	05/24/13
e	665,0000 FHLB NOTES	P	05/17/10	03/08/13
f	40,772 SH NYSE EURONEXT	P	09/03/07	05/28/13
g	100,000 PACCAR FINANCIAL NOTES	P	11/10/10	06/17/13
h	100,000 VERIZON GLOBAL NOTES	P	09/15/10	06/03/13
i	10,0000 SH VODAFONE GROUP	P	06/01/11	05/24/13
j	42,000 YALE UNIVERSITY NOTES	P	06/07/11	03/15/13
k	CLASS ACTION SETTLEMENT PROCEEDS - LAKOTA	P	VARIOUS	VARIOUS
l	CLASS ACTION SETTLEMENT PROCEEDS - LAKOTA	P	VARIOUS	VARIOUS
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 378,962.		113,221.	265,741.
b 100,000.		108,125.	-8,125.
c 276,182.		125,797.	150,385.
d 227,404.		204,458.	22,946.
e 665,000.		668,437.	-3,437.
f 1,641,988.		1,809,813.	-167,825.
g 100,000.		102,237.	-2,237.
h 100,000.		108,631.	-8,631.
i 294,785.		265,911.	28,874.
j 43,688.		44,349.	-661.
k 3,157.			3,157.
l 3,157.			3,157.
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			265,741.
b			-8,125.
c			150,385.
d			22,946.
e			-3,437.
f			-167,825.
g			-2,237.
h			-8,631.
i			28,874.
j			-661.
k			3,157.
l			3,157.
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	283,344.
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 INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
BURLING BANK	1.	1.	
JP MORGAN - CHECKING	5.	5.	
JP MORGAN - CUSTODY ACCOUNT	88.	88.	
JP MORGAN - FOREIGN INTEREST	11,744.	11,744.	
JP MORGAN - GOVERNMENT INTEREST	6,887.	6,887.	
JP MORGAN - INTEREST CORPORATE BONDS	110,258.	110,258.	
JP MORGAN - MUNICIPAL BOND INTEREST	4,554.	0.	
JP MORGAN - SAVINGS ACCOUNT	2,337.	2,337.	
TOTAL TO PART I, LINE 3	135,874.	131,320.	

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
JP MORGAN NYSE EURONEXT NON DIVIDEND DISTRIBUTIONS	279,458.	0.	279,458.	279,458.	
	9,177.	0.	9,177.	0.	
TO PART I, LINE 4	288,635.	0.	288,635.	279,458.	

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROM K-1 MARATHON RACING	-4,778.	-4,778.	
CHANGE IN UNREALIZED	715.	0.	
MARATHON RACING K1 BOOK/TAX DIFF	-795.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-4,858.	-4,778.	



FORM 990-PF	LEGAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	1,371.	0.		0.
TO FM 990-PF, PG 1, LN 16A	1,371.	0.		0.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3,625.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	3,625.	0.		0.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	7,627.	7,627.		0.
ANNUAL REPORTING FEES	15.	15.		0.
PAYROLL TAXES	13,387.	6,693.		6,694.
INCOME TAX	3,780.	3,780.		0.
TO FORM 990-PF, PG 1, LN 18	24,809.	18,115.		6,694.

FORM 990-PF	OTHER EXPENSES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CUSTODY FEES	9,879.	9,879.		0.
INVESTMENT MANAGEMENT FEES	99,848.	99,848.		0.
UTILITIES	10,209.	0.		10,209.
OFFICE SUPPLIES & EXPENSE	788.	0.		788.
PAYROLL SERVICE	1,459.	729.		730.
BANK FEES	277.	277.		0.
POSTAGE & DELIVERIES	4,431.	0.		4,431.
CONTINUING EDUCATION	2,020.	0.		2,020.
INSURANCE	1,409.	0.		1,409.
MISCELLANEOUS EXPENSE	188.	0.		188.
COMPUTER EXPENSE	4,208.	0.		4,208.
TO FORM 990-PF, PG 1, LN 23	134,716.	110,733.		23,983.

FORM 990-PF	CORPORATE STOCK		STATEMENT	8
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
JP MORGAN SECURITIES ACCOUNT	12,483,142.	15,937,645.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	12,483,142.	15,937,645.		

FORM 990-PF	CORPORATE BONDS		STATEMENT	9
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
JP MORGAN SECURITIES ACCOUNT	5,407,980.	5,388,686.		
TOTAL TO FORM 990-PF, PART II, LINE 10C	5,407,980.	5,388,686.		

FORM 990-PF	OTHER ASSETS		STATEMENT 10
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INVESTMENT/MARATHON RACING INC	1,259,925.	1,311,197.	1,311,197.
LEASE DEPOSIT	1,766.	1,766.	1,766.
ACCRUED INTEREST - 2014	0.	237.	237.
TO FORM 990-PF, PART II, LINE 15	1,261,691.	1,313,200.	1,313,200.

**Peggy Steve Fossett Foundation**

**2013**

**Contributions Made**

<b>Date</b>	<b>NAME / ADDRESS</b>	<b>STATUS</b>	<b>Purpose</b>	<b>AMOUNT</b>
01/11/2013	● Vilar Performing Arts Center Attn. Kris Sabel PO Box 3822 Avon, CO 81620	Public Charities	General	\$10,000
01/28/2013	● Chicago Area Council, BSA 1218 West Adams Chicago, IL 60607	Public Charities	General	\$50,000
03/04/2013	● The Museum of Flight 9404 East Marginal Way South Seattle, WA 98108-4097	Public Charities	Education	\$100,000
03/11/2013	● Community Hospital Foundation P O Box HH Monterey, CA 93942	Public Charities	General	\$25,000
03/11/2013	● Vail Valley Medical Center Foundation PO Box 1529 Vail, CO 81658-9912	Public Charities	General	\$25,000
03/18/2013	● Brentwood High School Alumni Association Scholarship Fund 1201 Hanley Industrial Court Brentwood, MO 63144-1911	Public Charities	Education	\$5,000
03/18/2013	● International Music Foundation 30 E Adams Street, Suite 1206 Chicago, IL 60603	Public Charities	General	\$50,000
03/18/2013	● Vail Valley Foundation General Fund Attn Cecelia Folz, President P O Box 309 Vail, CO 81658	Public Charities	General	\$10,000
03/18/2013	● Monterey Bay Aquarium Development Dept 886 Cannery Row Monterey, CA 93940-1023	Public Charities	General	\$10,000
04/01/2013	● Wings Over Salina Aviation Experience P O Box 2876 Salina, KS 67402-2876	Public Charities	General	\$20,000
04/30/2013	● Wings Over Salina Aviation Experience P O Box 2876 Salina, KS 67402-2876	Public Charities	General	\$10,000
05/07/2013	● Wings Over Salina Aviation Experience P O Box 2876 Salina, KS 67402-2876	Public Charities	General	\$5,000
05/13/2013	● Wings Over Salina Aviation Experience P O Box 2876 Salina, KS 67402-2876	Public Charities	General	\$10,000
05/20/2013	● Food Bank for Monterey County 815 W Market St. #5 Salinas, CA 93901	Public Charities	General	\$5,000
05/28/2013	● Art Institute of Chicago 111 South Michigan Avenue Chicago, IL 60603	Public Charities	General	\$25,000
05/28/2013	● Donald Danforth Plant Science Center 975 North Warson Rd St Louis, MO 63132	Public Charities	General	\$10,000
05/28/2013	● Lakeview Pantry 3831 N Broadway Chicago, IL 60613	Public Charities	General	\$5,000
05/28/2013	● Steadman Philippon Research Institute 181 W Meadow Drive Suite 1000 Vail, CO 81657	Public Charities	Research	\$50,000
05/28/2013	● Wildwood Historical Society P O. Box 125 Grover, MO 63040	Public Charities	General	\$10,000

# Peggy Steve Fossett Foundation

2013

## Contributions Made

Date	NAME / ADDRESS	STATUS	Purpose	AMOUNT
06/14/2013	● Betty Ford Alpine Gardens 183 Gore Creek Drive Vail, CO 81657	Public Charities	General	\$5,000
06/14/2013	● Chicago Meals on Wheels 121 N LaSalle Street Suite 100 Chicago, IL 60602	Public Charities	General	\$5,000
06/14/2013	● Chicago Public Library Foundation 20 North Michigan Ave Suite 520 Chicago, IL 60602	Public Charities	General	\$10,000
06/14/2013	● Carmel Public Library Foundation 6th & Mission Streets PO Box 2042 Carmel, CA 93921-2042	Public Charities	General	\$5,000
06/17/2013	● Himalayan Cataract Project Attn: Goeff Tabin P O Box 55 Waterbury, VT 05676	Public Charities	General	\$25,000
06/17/2013	● Big Sur Land Trust P.O. Box 4071 Monterey, CA 93942	Public Charities	General	\$25,000
06/17/2013	● Field Museum of Natural History Attn: Steven Strohmeier 1400 S Lake Shore Drive Chicago, IL 60605-2496	Public Charities	General	\$25,000
06/17/2013	● Webster University 470 E Lockwood Ave St Louis, MO 63119	Public Charities	General	\$25,000
07/05/2013	● Meals on Wheels of the Monterey Peninsula Sally Griffin Center 700 Jewell Ave Pacific Grove, CA 93950	Public Charities	General	\$5,000
07/05/2013	● Mercy Home for Boys and Girls 1140 W Jackson Blvd Chicago, IL 60607	Public Charities	General	\$5,000
07/05/2013	● Habitat for Humanity of Eagle & Lake Co 455 Nottingham Ranch Road Avon, CO 81620	Public Charities	General	\$5,000
07/05/2013	● Walking Mountains PO Box 9469 82 E Beaver Creek Blvd #202 Avon, CO 81620	Public Charities	General	5,000 00
07/22/2013	● Chicago Area Council, BSA 1218 West Adams Chicago, IL 60607	Public Charities	Education	50,000 00
07/22/2013	● Adler Planetarium 1300 S Lake Shore Drive Chicago, IL 60605	Public Charities	Education	100,000 00
09/01/2013	● Washington University One Brookings Drive St Louis, MO 63130	Public Charities	Research	25,000 00
09/01/2013	● Aero Club of Northern California c/o Santa Clara County Airports 2500 Cunningham Avenue San Jose, CA 95148	Public Charities	General	1,000 00
09/01/2013	● Vail Valley Salvation Army PO Box 2183 Edwards, CO 81632	Public Charities	General	5,000 00
09/01/2013	● Carmel Highlands Volunteer Firefighters 73 Fern Canyon Road Carmel, CA 93923	Public Charities	General	5,000 00
09/01/2013	● SOAR 244 E Pearson St. Suite 102 Chicago, IL 60611	Public Charities	General	1,000 00
09/12/2013	● Vilar Performing Arts Center Attn: Kns Sabel PO Box 3822 Avon, CO 81620	Public Charities	General	35,000.00

**Peggy Steve Fossett Foundation**

**2013**

**Contributions Made**

<b>Date</b>	<b>NAME / ADDRESS</b>	<b>STATUS</b>	<b>Purpose</b>	<b>AMOUNT</b>
09/16/2013	● Wings Over the Rockies Air & Space Museum 7711 East Academy Boulevard Denver, CO 81657	Public Charities	General	20,000 00
10/07/2013	● Greater Chicago Food Depository 4100 W Ann Lune Place Chicago, IL 60632	Public Charities	General	5,000 00
10/07/2013	● Wings Over Salina Aviation Experience P O Box 2876 Salina, KS 67402-2876	Public Charities	General	110,000.00
11/25/2013	● Little Flower Catholic School 1275 Boland Place Richmond Heights, MO 63117	Public Charities	Education	1,000 00
12/20/2013	● Bravo! Vail 2271 N Frontage Rd W Suite C Vail, CO 81657	Public Charities	General	46,000.00
12/30/2013	● Bravo! Vail 2271 N. Frontage Rd W Suite C Vail, CO 81657	Public Charities	General	\$4,000
			<b>Total</b>	<b>\$988,000.00</b>