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Form **990-PF****Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2013Department 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.

Open to Public Inspection

For calendar year 2013 or tax year beginning , and ending

Name of foundation THE FOUNDATION FOR SUSTAINABILITY AND INNOVATION		A Employer identification number 33-0785572
Number and street (or P O box number if mail is not delivered to street address) PO BOX 149	Room/suite	B Telephone number (see instructions) 949-497-2218
City or town, state or province, country, and ZIP or foreign postal code LAGUNA BEACH CA 92652		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, col. (c), line 16) ▶ \$ 2,405,833	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	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 (attach schedule)	1,500			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	1,776	1,776	1,776	
	4 Dividends and interest from securities	64,761	64,761	64,761	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	50,796			
	b Gross sales price for all assets on line 6a 256,738				
	7 Capital gain net income (from Part IV, line 2)		50,796		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances 53,585				
Operating and Administrative Expenses	b Less: Cost of goods sold 36,799				
	c Gross profit or (loss) (attach schedule) STMT 1	16,786		16,786	
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	135,619	117,333	83,323	
	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages	10,258			
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 2	1,150			
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 3	1,808			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch.) STMT 4	3,612			
	24 Total operating and administrative expenses. Add lines 13 through 23	16,828	0	0	0
	25 Contributions, gifts, grants paid	96,803			96,803
	26 Total expenses and disbursements. Add lines 24 and 25	113,631	0	0	96,803
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	21,988			
	b Net investment income (if negative, enter -0-)		117,333		
	c Adjusted net income (if negative, enter -0-)			83,323	

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2013)

SCANNED MAY 23 2014

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				
	2	Savings and temporary cash investments		1,011,855	148,171	148,171
	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 (att. schedule) ▶ SEE WRK	4,752			
		Less: allowance for doubtful accounts ▶	0	10,736	4,752	4,752
	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) SEE STMT 5		1,055,539	1,187,394	1,187,394
	c	Investments – corporate bonds (attach schedule) SEE STMT 6		102,027	526,300	526,300
	11	Investments – land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach sch.) ▶					
12	Investments – mortgage loans					
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach sch.) ▶					
15	Other assets (describe ▶ SEE STATEMENT 7)			539,216	539,216	
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		2,180,157	2,405,833	2,405,833	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>					
	24	Unrestricted		2,180,157	2,405,833	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)		2,180,157	2,405,833	
	31	Total liabilities and net assets/fund balances (see instructions)		2,180,157	2,405,833	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,180,157
2	Enter amount from Part I, line 27a	2	21,988
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	203,688
4	Add lines 1, 2, and 3	4	2,405,833
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	2,405,833

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE WORKSHEET				
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				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV 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				
2 Capital gain net income or (net capital loss)		<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2 50,796
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):		<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>		3 -4

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	140,665	2,173,220	0.064727
2011	96,254	2,147,593	0.044819
2010	101,175	2,059,814	0.049119
2009	157,316	1,849,280	0.085069
2008	135,220	2,262,134	0.059775
2 Total of line 1, column (d)			2 0.303509
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 0.060702
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5			4 2,230,417
5 Multiply line 4 by line 3			5 135,391
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,173
7 Add lines 5 and 6			7 136,564
8 Enter qualifying distributions from Part XII, line 4			8 96,803

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)		
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	1	2,347
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3 Add lines 1 and 2	3	2,347
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	2,347
6 Credits/Payments.		
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	320
b Exempt foreign organizations – tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	320
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	2,027
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b 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
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"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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
4b 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 type="checkbox"/> NONE		
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

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 ► RONALD H. CHILCOTE PO BOX 149 Located at ► LAGUNA BEACH CA ZIP+4 ► 92652-0149	Telephone no ► 949-497-2218		
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? 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	N/A	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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<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.)	N/A	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? ☐ Yes ☒ No **5b**

Organizations relying on a current notice regarding disaster assistance check here ☐ **5b**

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 **5b**

If "Yes," attach the statement required by Regulations section 53.4945–5(d) **5b**

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **6b**

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RONALD H. CHILCOTE LAGUNA BEACH PO BOX 149 CA 926520149	DIRECTOR 1.00	0	0	0
FRANCES B. CHILCOTE LAGUNA BEACH PO BOX 149 CA 926520149	DIRECTOR 1.00	0	0	0
EDWARD B. CHILCOTE LAGUNA BEACH PO BOX 149 CA 926520149	DIRECTOR 0.00	0	0	0
STEPHEN H. CHILCOTE LAGUNA BEACH PO BOX 149 CA 926520149	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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

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

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

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 (GRANTMAKING ONLY)	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,074,131
b	Average of monthly cash balances	1b	190,252
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	2,264,383
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	2,264,383
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	33,966
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,230,417
6	Minimum investment return. Enter 5% of line 5	6	111,521

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	111,521
2a	Tax on investment income for 2013 from Part VI, line 5	2a	2,347
b	Income tax for 2013 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,347
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	109,174
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	109,174
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	109,174

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	96,803
b	Program-related investments – total from Part IX-B	1b	
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	96,803
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	96,803

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				109,174
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2013:				
a From 2008	23,329			
b From 2009	65,820			
c From 2010				
d From 2011	6,810			
e From 2012	32,624			
f Total of lines 3a through e	128,583			
4 Qualifying distributions for 2013 from Part XII, line 4: $\$$ 96,803				
a Applied to 2012, but not more than line 2a				
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				96,803
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	12,371			12,371
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	116,212			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
e Undistributed income for 2012. Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	10,958			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	105,254			
10 Analysis of line 9:				
a Excess from 2009	65,820			
b Excess from 2010				
c Excess from 2011	6,810			
d Excess from 2012	32,624			
e Excess from 2013				

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

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

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

2a 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).)

N/A

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

N/A

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 address of the person to whom applications should be addressed:

RONALD H. CHILCOTE 949-497-2218
PO BOX 149 LAGUNA BEACH CA 92652

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

SEE STATEMENT 9

c Any submission deadlines:

SEE STATEMENT 10

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

SEE STATEMENT 11

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 12				96,803
Total			▶ 3a	96,803
b Approved for future payment N/A				
Total			▶ 3b	

Capital Gains and Losses for Tax on Investment IncomeForm **990-PF****2013**

For calendar year 2013, or tax year beginning

and ending

Name

THE FOUNDATION FOR SUSTAINABILITY
AND INNOVATION

Employer Identification Number

33-0785572

(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.)
(1) ABBVIE INC 400	P	06/16/95	01/14/13
(2) AGILENT TECHNOLOGIES INC 300	P	VARIOUS	01/08/13
(3) ALTERA CORP 800	P	VARIOUS	01/08/13
(4) CBS CORP CLASS B 500	P	VARIOUS	01/08/13
(5) DOW CHEMICAL CO DEBS 25,000	P	01/12/00	08/15/13
(6) ELI LILLY & CO 400	P	VARIOUS	01/18/13
(7) MEDTRONIC INC 600	P	VARIOUS	01/18/13
(8) PFIZER INC 900	P	09/30/03	01/18/13
(9) PHILLIPS 66 COM 270	P	VARIOUS	01/08/13
(10) SHORT TM BD FD AMER INC CLA 7478.420	P	VARIOUS	06/10/13
(11) SHORT TM BD FD AMER INC CLA 56.457	P	VARIOUS	06/10/13
(12) SHORT TM BD FD AMER INC CLA 37.981	P	VARIOUS	06/10/13
(13) GNMA PASS THRU POOL	P	08/10/06	06/30/13
(14) SHORT-TERM CAPITAL GAIN DIST.			
(15) LONG-TERM CAPITAL GAIN DIST.			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 13,301		3,928	9,373
(2) 12,416		9,556	2,860
(3) 27,048		3,900	23,148
(4) 18,398		5,800	12,598
(5) 25,000		23,344	1,656
(6) 20,795		32,955	-12,160
(7) 26,663		18,181	8,482
(8) 23,375		27,783	-4,408
(9) 13,596		4,161	9,435
(10) 74,859		75,382	-523
(11) 565		569	-4
(12) 380		383	-3
(13) 22			22
(14) 104			104
(15) 216			216

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

(i) FMV 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))
(1)			9,373
(2)			2,860
(3)			23,148
(4)			12,598
(5)			1,656
(6)			-12,160
(7)			8,482
(8)			-4,408
(9)			9,435
(10)			-523
(11)			-4
(12)			-3
(13)			22
(14)			104
(15)			216

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 10c - Gross Sales less Cost of Goods Sold**

<u>Description</u>		<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
BOOK SALES		\$ 53,585	\$ 36,799	\$ 16,786
TOTAL		\$ 53,585	\$ 36,799	\$ 16,786

Federal Statements

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Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 1,150	\$	\$	\$
TOTAL	\$ 1,150	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FILING FEES	\$ 10	\$	\$	\$
SALES TAX	92			
FOREIGN TAXES	1,706			
TOTAL	\$ 1,808	\$ 0	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES		\$	\$	\$
POSTAGE/DELIVERY	152			
WEBSITE	77			
OFFICE SUPPLIES	1,537			
MISCELLANEOUS	1,439			
BANK SERVICE CHARGES	126			
TELEPHONE AND INTERNET	256			
REGISTRY CHARITABLE TRUSTS	25			
TOTAL	\$ 3,612	\$ 0	\$ 0	\$ 0

Federal Statements

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Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
COMMON STOCKS	\$ 1,055,539	\$ 1,187,394	MARKET	\$ 1,187,394
TOTAL	\$ 1,055,539	\$ 1,187,394		\$ 1,187,394

Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FIXED INCOME	\$ 102,027	\$ 526,300	MARKET	\$ 526,300
TOTAL	\$ 102,027	\$ 526,300		\$ 526,300

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
MIXED ASSETS	\$	\$ 539,216	\$ 539,216
TOTAL	\$ 0	\$ 539,216	\$ 539,216

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
UNREALIZED CHANGE IN FAIR VALUE ON INVESTMENTS	\$ 203,688
TOTAL	\$ 203,688

Statement 9 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
WRITTEN PROPOSALS; SEE ATTACHED VISION STATEMENT FOR PROPOSAL REQUIREMENTS.

Statement 10 - Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
APRIL 1 (FOR CONSIDERATION IN MAY) AND OCTOBER 1 (FOR CONSIDERATION IN NOVEMBER) EACH YEAR.

Statement 11 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
AWARDS MUST BE USED FOR ECOLOGY BASED AGRICULTURAL RESEARCH OR EDUCATION.

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name		Address		Relationship	Status		Purpose	Amount
Address								
BIODIVERSITY CONSERVATION		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,100
CHARITABLE VENTURES OF ORANGE		LAGUNA BEACH CA 92652		CTY	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,000
CROWN POINT ECOLOGY CENTER		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	4,000
DISCOVERY SCIENCE CENTER		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	2,000
EARTH CARE		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	3,000
ECOCITY BUILDERS		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	3,974
GREEN SANGHA		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	2,500
HOPI TUTSKWA PERMACULTURE		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,000
LAGUNA CANYON FOUNDATION		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,200
MAINE ORGANIC FARMER/GARDENER		LAGUNA BEACH CA 92652		ASSOC	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	3,000
NEW SCHOOL FOUNDATION		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	3,000
ORGANIC FIELD SCHOOL		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,000
PERMACULTURE RESEARCH INSTITUTE		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	2,000
PETALUMA BOUNTY		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	2,000
ARLINGTON GARDEN IN PASADENA		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	1,000
CITY GROWERS C/O SUNNYSIDE COMM SVC		LAGUNA BEACH CA 92652		COMM SVC	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	5,000
DAILY ACTS		LAGUNA BEACH CA 92652		NONE	PO BOX 149	PUB CHARITY	AGRICULTURAL RESEARCH	3,000

Federal Statements

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**Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)**

Name		Address		Relationship	Status	Purpose	Amount
Address							
IIAN-LAEL FOUNDATION		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,700
POUGHKEEPSIE FARM PROJECT		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	5,000
PLANTING JUSTICE		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,000
SEE INNOVATION		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,000
SEEDS OF SOLIDARITY EDUCATION CTR		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,000
SNIPES FARM AND EDUCATION CENTER		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,000
THE NATURE CONSERVANCY		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	3,000
TOMORROW RIVER COMMUNITY CHARTER		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	3,000
VICTORIA GARDEN INITIATIVE		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	2,000
WESTERN RIVERS CONSERVANCY		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	5,000
WILDLANDS RESTORATION VOLUNTEERS		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	3,000
ZENGER FARM		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	3,329
AFRICAN STUDIES CENTER		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	100
ENVIRONMENTAL NATURE CENTER		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	200
EQUITY TRUST		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	100
FRIENDS OF HARBORS, BEACHES, PARKS		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	100
GREEN VALLEY LAND TRUST		PO BOX 149					
LAGUNA BEACH CA 92652	NONE		PUB CHARITY			AGRICULTURAL RESEARCH	100

Federal Statements

33-0785572

FYE: 12/31/2013

**Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)**

Name		Address		Relationship	Status	Purpose	Amount
Address							
IN THESE TIMES		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				100
JACKSON HOLE CONSERVATION ALLIANCE		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
NACLA		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
ONE WORLD ONE OCEAN FOUNDATION		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
ORGANIC FARMING RESEARCH FOUNDATION		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
ORGANIC SEED ALLIANCE		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				100
SOUTH COAST COMMUNITY GARDEN		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
MESA		PO BOX 149					
LAGUNA BEACH CA 92652	NONE	PUB CHARITY	AGRICULTURAL RESEARCH				200
TOTAL							96,803

Other Notes and Loans Receivable

Form **990-PF****2013**

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

Name

THE FOUNDATION FOR SUSTAINABILITY
AND INNOVATION

Employer Identification Number

33-0785572

FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION

Name of borrower	Relationship to disqualified person
(1) OTHER LOANS RECEIVABLE	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value
(1)	10,736	4,752	4,752
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	10,736	4,752	4,752

Federal Statements**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
TAXABLE INTEREST	\$			14	
RBC DAIN RAUSCHER INC	1,767			14	
RBC DAIN RAUSCHER INC - WHFIT	9			14	
TOTAL	<u>\$ 1,776</u>				

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
TAXABLE DIVIDENDS	\$			14	
RBC DAIN RAUSCHER INC - DIVID	64,761			14	
TOTAL	<u>\$ 64,761</u>				