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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 ROY AND LEONA NELSON FOUNDATION	A Employer identification number 71-0899453
Number and street (or P O box number if mail is not delivered to street address) BOX 965 — Room/suite	B Telephone number (see instructions) 509 326 2194
City or town SPOKANE — State WA — ZIP code 99210-0965	
Foreign country name — Foreign province/state/county — Foreign postal code	C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 2,589,190

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	2	2		
	4	Dividends and interest from securities	96,660	96,660		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	23,078			
	b	Gross sales price for all assets on line 6a 125,000				
	7	Capital gain net income (from Part IV, line 2)		23,078		
	8	Net short-term capital gain				
	9	Income modifications			5,666	
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	119,740	119,740	5,666	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	10,500			10,500
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	2,000			2,000
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	707			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	2,475			2,475
	24	**Total operating and administrative expenses.** Add lines 13 through 23	15,682	0	0	14,975
	25	Contributions, gifts, grants paid	118,000			118,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	133,682	0	0	132,975
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-13,942			
	b	**Net investment income** (if negative, enter -0-)		119,740		
	c	**Adjusted net income** (if negative, enter -0-)			5,666	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

			Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	13,817	16,927	16,927
	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 schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)	100,000	100,000	100,000
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,912,711	1,901,325	2,472,263
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,026,528	2,018,252	2,589,190
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 ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	2,026,528	2,018,252	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	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)	2,026,528	2,018,252	
	31	**Total liabilities and net assets/fund balances** (see instructions)	2,026,528	2,018,252	

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	2,026,528
2	Enter amount from Part I, line 27a	2	-13,942
3	Other increases not included in line 2 (itemize) ▶ Refund of scholarships awarded in prior years	3	5,666
4	Add lines 1, 2, and 3	4	2,018,252
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	2,018,252

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	1,059 sh Income Fund of Am	P	1/23/2004	3/15/2013
b	602 sh Capital World G & I Fund	P	1/23/2004	8/12/2013
c	1,526 sh Income Fund of Am	P	1/23/2004	8/12/2013
d	2,080 sh Am Balanced Fund	P	1/23/2004	12/6/2013
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	20,000		18,444	1,556
b	25,000		19,891	5,109
c	30,000		26,628	3,372
d	50,000		36,959	13,041
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				1,556
b				5,109
c				3,372
d				13,041
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	23,078
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	0

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	137,312	2,210,649	0 062114
2011	128,166	2,178,252	0 058839
2010	123,724	2,077,206	0 059563
2009	130,623	1,870,524	0 069832
2008	121,858	2,233,790	0.054552

2	**Total** of line 1, column (d)	2	0 304900
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 060980
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	2,414,535
5	Multiply line 4 by line 3	5	147,238
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,197
7	Add lines 5 and 6	7	148,435
8	Enter qualifying distributions from Part XII, line 4	8	132,975

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 ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ______________ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	2,395
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	2,395
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	2,395
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013 — 6a: 650		
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	650
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	1,745
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ▶ **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		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?	1c		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*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

			Yes	No
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?	13	X	

Website address ▶ NA

14 The books are in care of ▶ DON PETERS Telephone no ▶ 509 326 2194

Located at ▶ 1436 N Summit Blvd Spokane WA ZIP+4 ▶ 99201-3034

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

			Yes	No
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

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No

			Yes	No
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☒ No

If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____

			Yes	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)	2b	N/A	

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here
▶ 20____ , 20____ , 20____ , 20____

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No

			Yes	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)*	3b	N/A	
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)? **5b** | | X

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** | | 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? **7b** | N/A

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
Nancy Harris 604 W 23rd Spokane, WA 99203	President 5 00	4,500		
Tom Nelson 159 Rolling Hills Ln Wenatchee, WA 98801	Director 2 00	2,000		
Don Peters 1436 N Summit Blvd Spokane, WA 99201	Sec-Treas 2 00	2,000		
Neil McKay 717 W Sprague Ste 1600 Spokane, WA 99201	Director 2 00	2,000		

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 ▶

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 College scholarships for students residing in Eastern Washington and Northern Idaho. During 2013, the Foundation awarded $2,000 scholarships to 48 students attending 9 area colleges	14,975
2	
3	
4	

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	2,433,019
b	Average of monthly cash balances	1b	18,286
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,451,305
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	2,451,305
4	Cash deemed held for charitable activities Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	36,770
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,414,535
6	**Minimum investment return.** Enter 5% of line 5	6	120,727

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	120,727
2a	Tax on investment income for 2013 from Part VI, line 5	2a	2,395		
b	Income tax for 2013 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	2,395
3	Distributable amount before adjustments Subtract line 2c from line 1			3	118,332
4	Recoveries of amounts treated as qualifying distributions			4	5,666
5	Add lines 3 and 4			5	123,998
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	123,998

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	132,975
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	132,975
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	132,975

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					123,998
2 Undistributed income, if any, as of the end of 2013					
a Enter amount for 2012 only				0	
b Total for prior years: 20____, 20____, 20____					
3 Excess distributions carryover, if any, to 2013					
a From 2008					
b From 2009					
c From 2010					
d From 2011	1,102				
e From 2012	22,027				
f Total of lines 3a through e		23,129			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ $ 132,975					
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					123,998
e Remaining amount distributed out of corpus		8,977			
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		32,106			
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					
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					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)					
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		32,106			
10 Analysis of line 9					
a Excess from 2009					
b Excess from 2010					
c Excess from 2011	1,102				
d Excess from 2012	22,027				
e Excess from 2013	8,977				

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

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)

	Tax year (a) 2013	Prior 3 years (b) 2012	(c) 2011	(d) 2010	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))

NONE

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 ▶ [X] 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

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

c Any submission deadlines

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

Part XV 'Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
COLLEGE SCHOLARSHIPS (see 11-2 to 11-6)				91,000
GRANTS TO CHARITIES (see 11-7 to 11-8)				27,000
Total			▶ **3a**	118,000
b *Approved for future payment*				
Total			▶ **3b**	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	2	
4 Dividends and interest from securities			14	96,660	
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		
8 Gain or (loss) from sales of assets other than inventory			18	23,078	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		119,740	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 119,740

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

Signature of officer or trustee — 2/18/14 — Date — SEC-TREAS — Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

Part I, Line 16b (990-PF) - Accounting Fees

		2,000	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Don Peters, CPA	2,000			

Part I, Line 18 (990-PF) - Taxes

		707	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Income tax	672			
2	Filing fees	35			

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Part I, Line 16b ACCOUNTING FEES

Don Peters, CPA Preparation of the Foundation's federal tax return	2,000

Part I, Line 23 OTHER EXPENSES

Office supplies and expenses	2,475

Part II, Line 10a INVESTMENTS - U S & STATE OBLIGATIONS

	Book Value	Market Value
100,000 U S Treasury bonds 6 1/8% 8/15/29	$100,000	$100,000

Part II, Line 13 OTHER INVESTMENTS - MUTUAL FUNDS

6,886 sh	Growth Fund of America	188,976	294,319
8,008 sh	Washington Mutual Investors Fund	236,861	314,779
5,659 sh	Capital World Growth & Income Fund	187,444	256,031
7,691 sh	New Perspective Fund	202,842	287,495
16,103 sh	American Balanced Fund	286,485	393,065
15,124 sh	Income Fund of America	264,424	311,548
23,387 sh	Bond Fund of America	275,148	290,004
6,670 sh	Smallcap World Fund	259,145	325,022
		1,901,325	2,472,263

Recipient		Relationship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS					
Big Bend Community College Foundation 7662 Chanute St NE Moses Lake WA 98837	($12,000)				
(1) Glenn Kallstrom 7146 Road 8 NW Ephrata WA 98823		None	NA	College education	2,000
(2) Jessica Garcia 1010 S 10th Othello WA 99344		None	NA	College education	2,000
(3) Whitney Harvey 601 S Pioneer Way # F Moses Lake WA 98837		None	NA	College education	2,000
(4) Courtney Lightel 305 March Moses Lake WA 98837		None	NA	College education	2,000
(5) Chandra Lotz 255 C St SW Ephrata WA 98823		None	NA	College education	2,000
(6) Chandler Byington 4273 Goodrich Rd Moses Lake WA 98837		None	NA	College education	2,000
Heritage University 3240 Fort Road Toppenish WA 98948	($10,000)				
(1) Elizabeth Drane 2572 Prestwick Dr Richland WA 99354		None	NA	College education	2,000
(2) Maria Castro 105 Lee Ave Toppenish WA 98948		None	NA	College education	2,000
(3) Rosalba Medina 504 S Beech St Toppenish WA 98948		None	NA	College education	1,000
(4) Kim Shannon 807 Olden Way Toppenish WA 98948		None	NA	College education	2,000
(5) Jessica Martin 7404 Zier Rd Yakima WA 98903		None	NA	College education	2,000
(6) Terra Ambrose 1900 Wellington Dr # A Yakima WA 98903		None	NA	College education	1,000

Recipient		Relationship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)					
Lewis-Clark State College 500 8th Ave Lewiston ID 83501	($10,000)				
(1) Morah Hale Box 640 Kooskia ID 83539		None	NA	College education	2,000
(2) Mary Cermak 1618 13th Ave Lewiston ID 83501		None	NA	College education	2,000
(3) Angel Wyatt 2150 Reservoir Rd Clarkston WA 99403		None	NA	College education	2,000
(4) Sara Kazda Box 142 Lewiston ID 83501		None	NA	College education	2,000
(5) Kristen Damiani 10087 N Bateman St Hayden ID 83835		None	NA	College education	2,000
WSU College of Nursing Box 1495 Spokane WA 99210	($9,000)				
(1) Melodie Ratliff 2818 W Euclid Spokane WA 99205		None	NA	College education	2,000
(2) Nicholas Riordan 13510 E 5th Spokane Valley WA 99216		None	NA	College education	1,000
(3) Marie Quintero-Hill 523 Victory Way Sunnyside WA 98944		None	NA	College education	2,000
(4) Lauryn Altmeyer Box 403 Valleyford WA 99036		None	NA	College education	2,000
(5) Annie Tyynismaa 2550 Duportail # S112 Richland WA 99352		None	NA	College education	2,000

Part XV, Line 3 GRANTS

Recipient	Relation-ship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)				
Community Colleges of Spokane Foundation($10,000) Box 6000 MS 1005 Spokane WA 99217				
(1) Samantha Avey 24226 E Maxwell Liberty Lake WA 99019	None	NA	College education	2,000
(2) Kristen McDonnell 12009 Dodson Rd N Ephrata WA 98823	None	NA	College education	2,000
(3) Elizabeth Andres 592 Crown Ridge Way Colville WA 99114	None	NA	College education	2,000
(4) Victorya Datsko 14709 W Deno Rd Spokane WA 99224	None	NA	College education	2,000
(5) Kirsten Kyllo Box 249 Nine Mile Falls WA 99026	None	NA	College education	2,000

Recipient		Relationship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)					
North Idaho College Foundation 1000 W Garden Ave Coeur d'Alene ID 83814	($12,000)				
(1) Maya Arnold 7178 W Meadowbrook Loop Coeur d'Alene ID 83814		None	NA	College education	2,000
(2) Leah Muzzy 9245 N Crabapple Ct Hayden ID 83835		None	NA	College education	2,000
(3) Raelyn Reed 2180 E Knapp Dr Post Falls ID 83854		None	NA	College education	1,000
(4) Eric Cliff 101 N Vine St Post Falls ID 83854		None	NA	College education	2,000
(5) Robert Mertens 3700 W Cenrose Ln Rathdrum ID 83858		None	NA	College education	2,000
(6) Sarah Johnson 15858 N Kootenai St Rathdrum ID 83858		None	NA	College education	2,000
(7) Patricia Kardash Box 2345 Coeur d'Alene ID 83814		None	NA	College education	1,000
Wenatchee Valley College 1300 5th St Wenatchee WA 98801	($6,000)				
(1) Cameron Peters 227 First St Mansfield WA 93830		None	NA	College education	2,000
(2) Sarah Cunning 5146 Regan Rd Cashmere WA 98315		None	NA	College education	2,000
(3) Lisa Cunning 5146 Regan Rd Cashmere WA 98315		None	NA	College education	2,000

Part XV, Line 3 GRANTS

Recipient		Relationship	Status	Purpose	Amount
COLLEGE SCHOLARSHIPS (continued)					
Northwest Nazarene University **623 Holly Street** **Nampa ID 83686**	($12,000)				
(1) Evan Parton 11451 Eagle Creek Rd Leavenworth WA 98826		None	NA	College education	2,000
(2) Lindee Triplett 1903 13th St Lewiston ID 83501		None	NA	College education	2,000
(3) Ethan Brandt 10640 W Thompson Rd Coeur d'Alene ID 83814		None	NA	College education	2,000
(4) Janson Card 6217 E 14th Spokane WA 99212		None	NA	College education	2,000
(5) Benjamin Miller 40012 Zelmer Rd E Davenport WA 99122		None	NA	College education	2,000
(6) Austin Thomas 1638 25th Lewiston ID 83501		None	NA	College education	2,000
Whitworth University 300 W Hawthorne Rd Spokane WA 99251	($10,000)				
(1) Kyrstin Desjardins 1822 S McDonald Rd Spokane WA 99216		None	NA	College education	2,000
(2) Taylor Johnson 8412 Nash Dr Pasco WA 99301		None	NA	College education	2,000
(3) Moissy Mikhayev 818 X-Country Way Colville WA 99114		None	NA	College education	2,000
(4) Brittany Hoppe 7012 A West 1st Kennewick WA 99336		None	NA	College education	2,000
(5) Samantha Keating Box 20 Cottonwood ID 83522		None	NA	College education	2,000

Part XV, Line 3 GRANTS

Recipient	Relationship	Status	Purpose	Amount
CHARITIES				
Friends of the Moscow Public Library 110 S Jefferson Moscow ID 83843	NA	Public	New library stairs/ walks/rails/lights/ plaza	1,000
Union Gospel Mission Box 4066 Spokane WA 99220	NA	Public	Summer camp for needy kids	1,000
Youth for Christ Box 10176 Spokane WA 99209	NA	Public	After-school programs	2,500
Children's Charity Classic of NCW Box 2953 Wenatchee WA 98807	NA	Public	Support for children's charities	2,000
National Alliance for Mental Illness - CDA Box 3567 Coeur d'Alene ID 83816	NA	Public	Programs for the mentally ill -- alter-native court program	2,500
North Central WA Jail Chaplain Ministry Box 4091 Wenatchee WA 98807	NA	Public	Services for jail inmates & releasees	2,000
Salvation Army 222 E Indiana Spokane WA 99207	NA	Public	Help for the needy	1,000
St Georges School 2929 W Waikiki Road Spokane WA 99208	NA	Public	Annual fund drive	500
Hutton Settlement 422 W Riverside # 931 Spokane WA 99201	NA	Public	Orphanage	1,000
Vanessa Behan Crisis Nursery 1004 E 8th Spokane WA 99202	NA	Public	Crisis nursery	2,000
Camp STIX Box 8308 Spokane WA 99203	NA	Public	Diabetes camp	1,000

Part XV, Line 3 GRANTS

Recipient	Relationship	Status	Purpose	Amount
CHARITIES (continued)				
Providence Sacred Heart Med Center 101 W 8th Spokane WA 99204	NA	Public	Hospital pediatric ICU	500
Second Harvest Food Bank Box 2300 Spokane WA 99210	NA	Public	Food for the needy	1,500
New Life Adoptions 1127 Grant Rd East Wenatchee WA 98802	NA	Public	Adoption agency	1,500
Riverside School District 34515 N Newport Hwy Chattaroy WA 99003	NA	Public	Elementary school computer lab -- computers & printers	3,000
Olive Crest 505 E Wedgewood Spokane WA 99208	NA	Public	Foster children's programs	1,000
Mining Heritage Exhibition Box 469 Wallace ID 83873	NA	Public	Outdoor ed'l exhibit on mining & minerals	500
Friends of Manito Park 4 W 21st Spokane WA 99203	NA	Public	Mirror Pond renovation	500
American Cancer Society 2120 First Ave N Seattle WA 98109	NA	Public	Cancer research	1,500
Shalom Ministries 518 W 3rd Spokane WA 99201	NA	Public	Training & job placement programs for the homeless	500