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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.

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

DEC 1, 2013

, and ending

NOV 30, 2014

Name of foundation

FRANK & EMILY SMITH FOUNDATION

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

Room/suite

77880 DESERT DRIVE

City or town, state or province, country, and ZIP or foreign postal code

La Quinta, CA 92253

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)

J Accounting method:

☒

Cash

☐

Accrual

☐ Other (specify)

\$ 28,828,226 (Part I, column (d) must be on cash basis)

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

2 Check ☒ if the foundation is not required to attach Sch B3 Interest on savings and temporary
cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all
assets on line 6a

7 Capital gain net income (from Part IV, line 2)

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

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees Stmt 4

c Other professional fees

17 Interest

18 Taxes Stmt 5

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses Stmt 6

24 Total operating and administrative

expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid

26 Total expenses and disbursements.

Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

N/A

21,497.

21,497.

Statement 1

60,490.

60,490.

Statement 2

-2,896,758.

0.

JAN 14 2016

OGDEN, UT

823,520.

57,567.

Statement 3

-1,991,251.

139,554.

127,875.

16,250.

105,750.

7,380.

1,845.

5,535.

35,480.

6,438.

9,018.

13,376.

0.

13,376.

158,658.

151,283.

7,377.

342,769.

175,816.

141,056.

2,024,846.

2,024,846.

2,367,615.

175,816.

2,165,902.

-4,358,866.

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
Assets	1. Cash - non-interest-bearing	533,508.	300,050.	300,050.
	2. Savings and temporary cash investments	2,158,743.	6,175,539.	6,175,539.
	3. Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	853,950.		
	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			
	c. Investments - corporate bonds			
	11. Investments - land, buildings, and equipment: basis ▶			
Less: accumulated depreciation ▶				
12. Investments - mortgage loans				
13. Investments - other Stmt 7	34,405,338.	22,352,637.	22,352,637.	
14. Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15. Other assets (describe ▶)				
16. Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)	37,951,539.	28,828,226.	28,828,226.	
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			
	22. Other liabilities (describe ▶ Statement 8)	0.	1,554,867.	
23. Total liabilities (add lines 17 through 22)	0.	1,554,867.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24. Unrestricted			
	25. Temporarily restricted			
	26. Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31.			
	27. Capital stock, trust principal, or current funds	25,825,506.	25,825,506.	
	28. Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
29. Retained earnings, accumulated income, endowment, or other funds	12,126,033.	1,447,853.		
30. Total net assets or fund balances	37,951,539.	27,273,359.		
31. Total liabilities and net assets/fund balances	37,951,539.	28,828,226.		

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	37,951,539.
2. Enter amount from Part I, line 27a	2	-4,358,866.
3. Other increases not included in line 2 (itemize) ▶	3	0.
4. Add lines 1, 2, and 3	4	33,592,673.
5. Decreases not included in line 2 (itemize) ▶ CORRECT INVESTMENT FMV	5	6,319,314.
6. Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	27,273,359.

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 CAPITAL GAIN FROM PARTNERSHIPS					
b CAPITAL LOSS FROM PARTNERSHIPS					
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			496,743.		
b			-3,393,501.		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(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			
a			496,743.		
b			-3,393,501.		
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	-2,896,758.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			3	N/A	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2012	1,789,345.	40,059,448.	.044667
2011	1,617,482.	44,061,898.	.036709
2010	1,687,556.	43,266,335.	.039004
2009	1,769,783.	47,285,739.	.037427
2008	1,923,777.	39,761,367.	.048383
2 Total of line 1, column (d)			2 .206190
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 .041238
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5			4 26,016,794.
5 Multiply line 4 by line 3			5 1,072,881.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 0.
7 Add lines 5 and 6			7 1,072,881.
8 Enter qualifying distributions from Part XII, line 4 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.			8 2,165,902.

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	0.
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	0.
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	0.
6 Credits/Payments:			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	30,000.	
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	30,000.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	30,000.	
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax ☒ 30,000. 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?		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
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. ☒ \$ 0. (2) On foundation managers. ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ 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?	x	
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) ☒ 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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		x
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		x
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	x	

Website address **►** N/A

14 The books are in care of **►** JASON JOHNSON Telephone no. **►** 415-981-8766
 Located at **►** 77880 DESERT DRIVE, LA QUINTA, CA ZIP+4 **►** 92253

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here **►** ☐ **15** N/A

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? **Yes** **No**
 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 **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? ☐ 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		
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 ► ☐	1b	x
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 ► _____, _____, _____		
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. ► _____, _____, _____		
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		
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

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

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

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

See Statement 9

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? ☐ Yes ☒ No

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? ☐ Yes ☒ No

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.

(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
GARY SMITH 77880 DESERT DRIVE LA QUINTA, CA 92253	PRESIDENT 10.00	0.	0.	0.
SUSAN ELDER 77880 DESERT DRIVE LA QUINTA, CA 92253	SECRETARY 30.00	57,250.	0.	0.
JASON JOHNSON 77880 DESERT DRIVE LA QUINTA, CA 92253	TREASURER 30.00	70,625.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ☐ 0

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

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

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

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	0.
b	Average of monthly cash balances	1b	4,059,902.
c	Fair market value of all other assets	1c	22,353,087.
d	Total (add lines 1a, b, and c)	1d	26,412,989.
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	26,412,989.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	396,195.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,016,794.
6	Minimum investment return. Enter 5% of line 5	6	1,300,840.

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	1,300,840.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,300,840.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,300,840.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,300,840.

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	2,165,902.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,165,902.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,165,902.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				1,300,840.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			1,916,942.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ 2,165,902.				
a Applied to 2012, but not more than line 2a			1,916,942.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2013 distributable amount				248,960.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				1,051,880.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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				
AMERICAN CANCER SOCIETY 1710 WEBSTER STREET OAKLAND, CA 94612		PUBLIC CHARITY	GENERAL BUDGET	2,500.
COLLEGE OF THE DESERT FOUNDATION 43-500 MONTEREY AVE PALM DESERT, CA 92260		PUBLIC CHARITY	GENERAL BUDGET	3,750.
BIG ISLAND CANDIES FOUNDATION 17220 SW MCCORMICK HILL ROAD HILLSBORO, OR 97123		PUBLIC CHARITY	GENERAL BUDGET	4,000.
EAST CARTERET HIGH SCHOOL MILDRED AND JOSEPH PASTEUR SCHOLARSHIP 6215 E LAKE DRIVE HASLETT, MI 48840		PUBLIC CHARITY	GENERAL BUDGET	5,000.
SHEPHERDS COUNSELING 2601 BROADWAY EAST SEATTLE, WA 98102-3906		PUBLIC CHARITY	GENERAL BUDGET	5,000.
Total	See continuation sheet(s) ▶ 3a			2,024,846.
b Approved for future payment				
None				
Total	▶ 3b			0.

Part XVII	Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations
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- | | | 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 | | x |
| (2) | Other assets | | x |
| b | Other transactions: | | |
| (1) | Sales of assets to a noncharitable exempt organization | | x |
| (2) | Purchases of assets from a noncharitable exempt organization | | x |
| (3) | Rental of facilities, equipment, or other assets | | x |
| (4) | Reimbursement arrangements | | x |
| (5) | Loans or loan guarantees | | x |
| (6) | Performance of services or membership or fundraising solicitations | | x |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 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. | | |

[illegible]

- 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
N/A		

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.		May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ Yes ☐ No
	 Signature of officer or trustee	1-11-16 Date	President Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Brian Yacker				P00401346
	Firm's name ▶ YH Advisors, Inc.			Firm's EIN ▶ 45-3269313	
	Firm's address ▶ 7755 Center Avenue, Suite 1225 Huntington Beach, CA 92647			Phone no. 310-982-2803	

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
NASHVILLE CHRISTIAN ADVANCEMENT ACADEMY 3551 DICKERSON PIKE NASHVILLE, TN 37207		PUBLIC CHARITY	GENERAL BUDGET	7,400.
MEDIA FELLOWSHIP 18720 BOTHELL WAY NE BOTHELL, WA 98011		PUBLIC CHARITY	GENERAL BUDGET	10,000.
NORTH NAPLES UNITED METHODIST CHURCH 6000 GOODLETTE RD N NAPLES, FL 34109		PUBLIC CHARITY	GENERAL BUDGET	10,000.
LIFE SKILLS FOR YOUTH PO BOX 4278 LITTLE ROCK, AR 72214		PUBLIC CHARITY	GENERAL BUDGET	15,000.
MISSIONARIES OF CHARITY 335 EAST 145TH ST BRONX, NY 10451		PUBLIC CHARITY	GENERAL BUDGET	20,000.
HAMLIN ROBINSON SCHOOL 10211 12TH AVE S SEATTLE, WA 98168		PUBLIC CHARITY	GENERAL BUDGET	27,500.
HABITAT FOR HUMANITY 12465 GOOCH HILL RD. GALLATIN GATEWAY, MO 59730		PUBLIC CHARITY	GENERAL BUDGET	30,000.
PATTON VETERANS PROJECT 17 EAST 97TH STREET NEW YORK, NY 10029		PUBLIC CHARITY	GENERAL BUDGET	40,000.
KIDS ALIVE 2507 CUMBERLAND DR VALPARAISO, IN 46383		PUBLIC CHARITY	GENERAL BUDGET	45,000.
JDRF N.W. CHAPTER 1215 4TH AVE #1100 SEATTLE, WA 98161		PUBLIC CHARITY	GENERAL BUDGET	50,000.
Total from continuation sheets				2,004,596.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
NEW FRIENDS NEW LIFE P.O. BOX 192378 DALLAS, TX 75219		PUBLIC CHARITY	GENERAL BUDGET	50,000.
P.A.R.K. FOUNDATION 6915 GEYER SPRINGS RD. LITTLE ROCK, AR 72209		PUBLIC CHARITY	GENERAL BUDGET	50,000.
INDEPENDENCE FUND INCORPORATED 32379 COLLECTION CENTER DRIVE CHICAGO, IL 60693		PUBLIC CHARITY	GENERAL BUDGET	65,000.
RUN TO WIN 7907 212TH STREET SW SUITE 206 EDMONDS, WA 98026		PUBLIC CHARITY	GENERAL BUDGET	65,000.
CITY SQUARE 409 N. HASKELL DALLAS, TX 75246		PUBLIC CHARITY	GENERAL BUDGET	80,000.
UNIVERSITY ADVANCEMENT SPARTAN WAY 535 CHESTNUT ROAD #300 EAST LANSING, MI 48824		PUBLIC CHARITY	GENERAL BUDGET	90,000.
LUMIN EDUCATION 924 WAYNE ST. DALLAS, TX 75223		PUBLIC CHARITY	GENERAL BUDGET	95,000.
ST. PETER'S SCHOOL 1266 FLORIDA STREET SAN FRANCISCO, CA 94110		PUBLIC CHARITY	GENERAL BUDGET	170,000.
HERE FOR KIDS INTERNATIONAL 86 CORAL DRIVE ORINDA, CA 94563		PUBLIC CHARITY	GENERAL BUDGET	215,000.
WOUNDED WARRIOR PROJECT 7020 A C SKINNER PARKWAY #100 JACKSONVILLE, FL 32256		PUBLIC CHARITY	GENERAL BUDGET	333,500.
Total from continuation sheets				

3 Grants and Contributions Paid During the Year (Continuation)**Total from continuation sheets**

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
INTEREST INCOME	21,497.	21,497.	
Total to Part I, line 3	21,497.	21,497.	

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
DIVIDENDS FROM PARTNERSHIPS	52,965.	0.	52,965.	52,965.	
INTEREST FROM PARTNERSHIPS	7,525.	0.	7,525.	7,525.	
To Part I, line 4	60,490.	0.	60,490.	60,490.	

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
ROYALTY INCOME FROM SIRE DISCOVERY GROUP	10.	10.	
UBI - SIRE DISCOVERY	1,778.	0.	
UBI - SCHUSTER REALTY	335,606.	0.	
REIMBURSEMENT	408,450.	0.	
INCOME FROM PARTNERSHIPS	44,828.	44,828.	
ANTICA FARMACISTA	10,750.	10,750.	
OTHER INTEREST	1,979.	1,979.	
FEDERAL TAX REFUND	20,119.	0.	
Total to Form 990-PF, Part I, line 11	823,520.	57,567.	

Form 990-PF	Accounting Fees			Statement	4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
ACCOUNTING FEES	7,380.	1,845.		5,535.	
To Form 990-PF, Pg 1, ln 16b	7,380.	1,845.		5,535.	

Form 990-PF	Taxes			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
TAXES	20,023.	0.		0.	
FOREIGN TAXES PAID	5,055.	5,055.		0.	
PAYROLL TAXES	10,402.	1,383.		9,018.	
To Form 990-PF, Pg 1, ln 18	35,480.	6,438.		9,018.	

Form 990-PF	Other Expenses			Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
BANK FEES	7,609.	7,609.		0.	
INSURANCE	6,373.	3,187.		3,187.	
OFFICE EXPENSE	8,379.	4,190.		4,190.	
RENTAL LOSSES FROM K-1	136,297.	136,297.		0.	
To Form 990-PF, Pg 1, ln 23	158,658.	151,283.		7,377.	

Form 990-PF	Other Investments	Statement	7
Description	Valuation Method	Book Value	Fair Market Value
ANTICA FARMACISTA LLC	COST	0.	0.
SIRE DISCOVERY GROUP OFFSHORE	COST	227,720.	227,720.
AWJ FUND	COST	0.	0.
SCHUSTER GROUP	COST	1,157,297.	1,157,297.
WEAR MY SHIRT	COST	354,399.	354,399.
BLUEFOOT INVESTMENTS LP	COST	20,451,430.	20,451,430.
HEDGE LLC	COST	50,000.	50,000.
CONTADORA CAPITAL PARTNERS	COST	91,186.	91,186.
KODIAK OPPORTUNITY, L.P.	COST	18,306.	18,306.
BAYVIEW PARTNERS	COST	786.	786.
BANYAN/T-BILL	COST	1,513.	1,513.
Total to Form 990-PF, Part II, line 13		22,352,637.	22,352,637.

Form 990-PF	Other Liabilities	Statement	8
Description	BOY Amount	EOY Amount	
MORTGAGES	0.	565.	
POINCARE L.P.	0.	42,095.	
SIRE SPV, LLC	0.	1,766.	
KENDALL SQUARE	0.	1,510,441.	
Total to Form 990-PF, Part II, line 22	0.	1,554,867.	

Form 990-PF	Expenditure Responsibility Statement	Statement	9
	Part VII-B, Line 5c		

Grantee's Name

NORTHWEST READING CLINIC, INC.

Grantee's Address7000 S. W. HAMPTON SUITE 240
TIGARD, OR 97223

<u>Grant Amount</u>	<u>Date of Grant</u>	<u>Amount Expended</u>	<u>Verification Date</u>
386,196.	09/25/14	386,196.	11/30/14

Purpose of Grant

GENERAL OPERATING

Dates of Reports by Grantee

NOVEMBER 2014

Any Diversion by Grantee

NO PART HAS BEEN USED FOR OTHER THAN ITS INTENDED PURPOSE

Results of Verification

FRANK & EMILY SMITH FOUNDATION REVIEWED THE GRANT REPORT ON 11/2014 BUT DID NOT UNDERTAKE ANY VERIFICATION OF THE GRANTEE'S REPORTS AS THERE HAS NOT BEEN ANY REASON TO DOUBT THEIR ACCURACY OR RELIABILITY (REG. 53.4945-5(C)).

ALTHOUGH NO INDEPENDENT VERIFICATION OF THE GRANTEE'S REPORTS WAS REQUIRED UNDER REG. 53.4945-5(C), FRANK & EMILY SMITH FOUNDATION DID CONDUCT A SITE REVIEW ON 11/2014. THAT REVIEW DISCLOSED THAT THE GRANTEE HAD COMPLIED WITH THE TERMS OF THE GRANT.

Grantee's Name

NORTHWEST READING CLINIC, INC.

Grantee's Address7000 S. W. HAMPTON SUITE 240
TIGARD, OR 97223

<u>Grant Amount</u>	<u>Date of Grant</u>	<u>Amount Expended</u>	<u>Verification Date</u>
150,000.	11/10/14	148,188.	11/30/14

Purpose of Grant

GENERAL OPERATING

Dates of Reports by Grantee

NOVEMBER 2014

Any Diversion by Grantee

NO PART HAS BEEN USED FOR OTHER THAN ITS INTENDED PURPOSE

Results of Verification

FRANK & EMILY SMITH FOUNDATION REVIEWED THE GRANT REPORT ON 11/2014 BUT DID NOT UNDERTAKE ANY VERIFICATION OF THE GRANTEE'S REPORTS AS THERE HAS NOT BEEN ANY REASON TO DOUBT THEIR ACCURACY OR RELIABILITY (REG. 53.4945-5(C)).

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General Explanation

Statement 10

Form/Line Identifier and Description/Return Reference

FORM 990-PF, BOX G - AMENDED RETURN

Explanation:

THE FORM 990-PF HAS BEEN AMENDED TO CORRECTLY VALUE INVESTMENTS.