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

2014

Open to Public Inspection

For calendar year 2014, or tax year beginning , 2014, and ending ,

Martin Family Foundation
13964 Biz Point Lane
Anacortes, WA 98221-8417

A Employer identification number 91-2089435

B Telephone number (see instructions) 360-299-9613

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 3,997,333.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(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) (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	Ck ► ☒ if the foundn is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	2,375.	2,375.	2,375.	
	4	Dividends and interest from securities	123,776.	123,776.	123,776.	
	5 a	Gross rents				
	b	Net rental income or (loss)				
	6 a	Net gain or (loss) from sale of assets not on line 10	84,606.			
	b	Gross sales price for all assets on line 6a 890,600.				
	7	Capital gain net income (from Part IV, line 2)		84,606.		
	8	Net short-term capital gain			2,150.	
	9	Income modifications				
	10 a	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	210,757.	210,757.	128,301.	
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule)				
	b	Accounting fees (attach sch) See St 1	1,480.			1,480.
	c	Other prof fees (attach sch) See St 2	19,526.			19,526.
	17	Interest				
	18	Taxes (attach schedule)(see instrs) See Stm 3	4,270.			4,270.
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) See Statement 4	255.			255.
	24	**Total operating and administrative expenses** Add lines 13 through 23	25,531.			25,531.
	25	Contributions, gifts, grants paid	199,700.			199,700.
	26	**Total expenses and disbursements.** Add lines 24 and 25	225,231.	0.	0.	225,231.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-14,474.			
	b	**Net investment income** (if negative, enter -0-)		210,757.		
	c	**Adjusted net income** (if negative, enter -0-)			128,301.	

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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	End of year	
			(a) Book Value	**(b)** Book Value	**(c)** Fair Market Value
ASSETS	1	Cash – non-interest-bearing		6,833.	6,833.
	2	Savings and temporary cash investments	2,946,506.	3,001,854.	3,541,649.
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	8,000.	4,675.	4,675.
	10a	Investments – U.S. and state government obligations (attach schedule)			
	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)			
	14	Land, buildings, and equipment: basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ► See Statement 5)	465,355.	444,176.	444,176.
	16	**Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	3,419,861.	3,457,538.	3,997,333.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	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.**			
	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	3,419,861.	3,457,538.	
	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)	3,419,861.	3,457,538.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	3,419,861.	3,457,538.	

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	3,419,861.
2	Enter amount from Part I, line 27a	2	-14,474.
3	Other increases not included in line 2 (itemize) ► See Statement 6	3	52,151.
4	Add lines 1, 2, and 3	4	3,457,538.
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	3,457,538.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	**(b)** How acquired P — Purchase D — Donation	**(c)** Date acquired (month, day, year)	**(d)** Date sold (month, day, year)
1a	See Statement 7			
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) Fair Market Value as of 12/31/69	**(j)** Adjusted basis as of 12/31/69	**(k)** Excess of column (i) over column (j), if any	**(l)** Gains (Column (h) gain minus column (k), but not less than -0-) **or** Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	84,606.
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	2,150.

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.) N/A

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	**(b)** Adjusted qualifying distributions	**(c)** Net value of noncharitable-use assets	**(d)** Distribution ratio (column (b) divided by column (c))
2013			
2012			
2011			
2010			
2009			

2	**Total** of line 1, column (d)	2	
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	
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI **Excise Tax Based on Investment Income** (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter: ________ **(attach copy of letter if necessary – see instrs)** **b** Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► ☐ and enter 1% of Part I, line 27b **c** All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			1	4,215.
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	4,215.
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	4,215.
6 Credits/Payments				
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	6 a	4,675.		
b Exempt foreign organizations – tax withheld at source	6 b			
c Tax paid with application for extension of time to file (Form 8868)	6 c			
d Backup withholding erroneously withheld	6 d			
7 Total credits and payments. Add lines 6a through 6d			7	4,675.
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	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	460.
11 Enter the amount of line 10 to be **Credited to 2015 estimated tax** ► 460.	**Refunded** ►		11	0.

Part VII-A **Statements Regarding Activities**

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1 a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1 b		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?	1 c		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?	2		X
If 'Yes,' attach a detailed description of the activities			
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
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b	N	/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
If 'Yes,' attach the statement required by General Instruction T			
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, column (c), and Part XV*	7	X	
8 a 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*	8 b	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 2014 or the taxable year beginning in 2014 (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 ► N/A

14 The books are in care of ► Roy W. Martin Telephone no. ► 360-299-9613

Located at ► 13964 Biz Pt. Ln. Anacortes WA ZIP + 4 ► 98221

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

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly TD F 90-22.1). If 'Yes,' enter the name of the foreign country ►			

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

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

				Yes	No
1 a	During the year did the foundation (either directly or indirectly):				
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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)?		1 b	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 2014?		1 c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).				
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement– see instructions.)		2 b	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__ .				
3 a	*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 2014 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 2014.)*		3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4 a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?		4 b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 4945(d)(4)(A)? (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)? **5 b** N/A

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? N/A ☐ **Yes** ☐ **No**

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6 b** X (No)

If 'Yes' to 6b, file Form 8870

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7 b**

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
Roy W. Martin 13964 Biz Pt. Ln. Anacortes, WA 98221	Trustee 0	0.	0.	0.
Darlene E. Martin 13964 Biz Pt. Ln. Anacortes, WA 98221	Trustee 0	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 ►		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 (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 ►	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		1 a	
b	Average of monthly cash balances		1 b	
c	Fair market value of all other assets (see instructions)		1 c	
d	**Total** (add lines 1a, b, and c)		1 d	0.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e		
2	Acquisition indebtedness applicable to line 1 assets		2	
3	Subtract line 2 from line 1d		3	
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	0.
6	**Minimum investment return** Enter 5% of line 5		6	0.

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	
2a	Tax on investment income for 2014 from Part VI, line 5	2a	4,215.		
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	4,215.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	-4,215.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	-4,215.
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	0.

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	225,231.
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	225,231.
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	225,231.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7					0.
2 Undistributed income, if any, as of the end of 2014:					
a Enter amount for 2013 only				0.	
b Total for prior years 20 ___, 20 ___, 20 ___			0.		
3 Excess distributions carryover, if any, to 2014:					
a From 2009	11,479.				
b From 2010	203,424.				
c From 2011	237,506.				
d From 2012	254,736.				
e From 2013	231,495.				
f **Total** of lines 3a through e		938,640.			
4 Qualifying distributions for 2014 from Part XII, line 4: ► $	225,231.				
a Applied to 2013, but not more than line 2a				0.	
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 2014 distributable amount					0.
e Remaining amount distributed out of corpus		225,231.			
5 Excess distributions carryover applied to 2014 *(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		1,163,871.			
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 2013 Subtract line 4a from line 2a. Taxable amount – see instructions				0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)		0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)		11,479.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a		1,152,392.			
10 Analysis of line 9:					
a Excess from 2010	203,424.				
b Excess from 2011	237,506.				
c Excess from 2012	254,736.				
d Excess from 2013	231,495.				
e Excess from 2014	225,231.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, 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	Prior 3 years			
	(a) 2014	**(b)** 2013	**(c)** 2012	**(d)** 2011	**(e) Total**
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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).)

See Statement 8

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

None

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

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

a The name, address, and telephone number or e-mail 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*				
Total			► **3a**	
b *Approved for future payment*				
Total			► **3b**	

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					2,375.
4 Dividends and interest from securities	523000				123,776.
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					
8 Gain or (loss) from sales of assets other than inventory					84,606.
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)					210,757.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 210,757.

(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.)
N/A	

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	1 a (1)		X
	(2) Other assets	1 a (2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
	(3) Rental of facilities, equipment, or other assets	1 b (3)		X
	(4) Reimbursement arrangements	1 b (4)		X
	(5) Loans or loan guarantees	1 b (5)		X
	(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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
N/A			

2 a 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

Roy W. Martin | 4/18/15 ▶ Trustee

Signature of officer or trustee | Date | 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
James E. Gipson, CPA, CFP	James E. Gipson, CPA, CFP	4/17/15		P00132275

Firm's name ▶ GIPSON & WOODRUFF P/S. | Firm's EIN ▶ 91-1357107

Firm's address ▶ 10518 NE 68TH ST STE 201
KIRKLAND, WA 98033-7003 | Phone no (425) 822-2020

Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
	$ 1,480.			$ 1,480.
Total	$ 1,480.	$ 0.	$ 0.	$ 1,480.

Statement 2
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Asset Management Fees	$ 19,526.			$ 19,526.
Total	$ 19,526.	$ 0.	$ 0.	$ 19,526.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
2013 Federal Tax Liabilty	$ 3,325.			$ 3,325.
Foreign Taxes	945.			945.
Total	$ 4,270.	$ 0.	$ 0.	$ 4,270.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Charges	$ 55.			$ 55.
Publication	200.			200.
Total	$ 255.	$ 0.	$ 0.	$ 255.

Statement 5
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
Partnership SW Multi Family	$ 444,176.	$ 444,176.
Total	$ 444,176.	$ 444,176.

Statement 6
Form 990-PF, Part III, Line 3
Other Increases

2013 Capital Gain See Amened Return	$ 52,064.
2014 Non Taxable Distribution	87.
Total	$ 52,151.

Statement 7
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	See Fidelity Statement	Purchased	Various	Various
2	See Fidelity Statement	Purchased	1/17/2012	5/21/2014
3	See Fidelity Statement	Purchased	Various	11/12/2014
4	See Fidelity Statement	Purchased	1/17/2012	3/13/2014
5	See TIAA-CREF Statement	Purchased	12/18/2013	6/25/2014
6	See TIAA-CREF Statement	Purchased	Various	Various

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	29,767.		39,570.	-9,803.				$ -9,803.
2	53,371.		35,342.	18,029.				18,029.
3	41,054.		31,550.	9,504.				9,504.
4	9,712.		10,425.	-713.				-713.
5	35,540.		33,390.	2,150.				2,150.
6	721,156.		655,717.	65,439.				65,439.
							Total	$ 84,606.

Statement 8
Form 990-PF, Part XV, Line 1a
Foundation Managers - 2% or More Contributors

Roy W. Martin
Darlene E. Martin

Martin Family Foundation		
2014 Summary Charitable Donation	**Total**	
Alzheimer's Association	$ 400	
American Cancer Society	$ 600	
American Red Cross	$ 2,000	
Care	$ 2,000	
Catholic Comm Serv-NW (:Oso Mudslide)	$ 1,000	
Catholic Comm Serv-NW (Skagit Family Center)	$ 10,000	
Catholic Relief Services	$ 60,000	
Covenant House	$ 1,600	
Compass Housing Alliance	$ 2,000	
Food Lifeline	$ 1,400	
Holy Cross Missions (Mike Delaney orphange)	$ 16,000	
Fidalgo Island Rotary Foundation	$ 5,600	
Friendship House	$ 10,000	
Habitat for Humanity (Skagit County)	$ 2,000	
Intercommunity Peace and Justice Center	$ 2,000	
KPLU-FM (Public Radio)	$ 200	
KCTS - channel 9	$ 400	
Lutheran Hour Ministries	$ 800	
LCMS World Mission	$ 2,500	
LCMS World Relief	$ 25,000	
Lutheran Ministries Seattle	$ 4,000	
Missionaries of Charity	$ 4,000	
Mercy Beyond Borders	$ 4,000	
Mercy Corps.	$ 6,000	
Mercy Home for Boys and Girls	$ 2,000	
Mercy Housing (Previous Intercommunity Housing)	$ 3,000	
Mercy Ships	$ 3,000	
Seattle Goodwill	$ 2,000	
Society of St. Vincent de Paul -Seattle	$ 6,000	
St Andre Bissette Catholic Church (Downtown Chapel Portland	$ 2,000	
The Macdonald Center, Portland	$ 2,000	
UNICEF	$ 8,600	
Union Gospel	$ 800	
World Vision	$ 1,800	
White Center Food Association	$ 5,000	
	$ -	
Total	**$ 199,700**	

Fidelity INVESTMENTS

2014 TAX REPORTING STATEMENT

MARTIN FAMILY FOUNDATION

Account No **X86-217409** Customer Service 800-544-5704
Recipient ID No ****-***9435** Payer's Fed ID Number. 04-3523567

FORM 1099-B*

2014 Proceeds from Broker and Barter Exchange Transactions

Copy B for Recipient OMB No. 1545-0715

Long-term transactions for which basis <u>is reported</u> to the IRS --report on Form 8949 with Box D checked and/or Schedule D, Part II
Proceeds are reported as **gross proceeds** unless otherwise indicated (a).(This Label is a Substitute for Boxes **2, 3, 5 & 6**)

(IRS Form 1099-B box numbers are shown below in **bold type**)

1a Description of property, Stock or Other Symbol, CUSIP

Action	Quantity	**1b** Date Acquired	**1c** Date Sold or Disposed	**1d** Proceeds	**1e** Cost or Other Basis (b)	**1f** Code, If Any (c) **1g** Adjustments	Gain/Loss (-)	**4** Federal Income Tax Withheld	**14** State	**16** State Tax Withheld
AMERICAN CAP AGY CORP COM, AGNC, 02503X105										
Sale	215 000	01/17/12	05/21/14	5,008 96	6,109.23		-1,100 27			
Sale	315 000	01/17/12	11/12/14	7,089.79	8,950.72		-1,860 93			
Sale	785.000	05/03/13	11/12/14	17,668 21	24,509.78		-6,841 57			
Subtotals				**29,766.96**	**39,569.73**					
LOCKHEED MARTIN CORP, LMT, 539830109										
Sale	60 000	01/17/12	03/13/14	9,863 63	4,923 67		4,939 96			
Sale	70 000	01/17/12	05/21/14	11,309 39	5,744 28		5,565.11			
Subtotals				**21,173.02**	**10,667.95**					
PEPSICO INC, PEP, 713448108										
Sale	160 000	01/17/12	05/21/14	13,716 54	10,391 95		3,324 59			
REYNOLDS AMERN INC, RAI, 761713106										
Sale	100 000	05/09/12	05/21/14	5,719.93	4,068 95		1,650 98			
VERIZON COMMUNICATIONS, VZ, 92343V104										
Sale	100 000	01/17/12	05/21/14	4,911 39	3,928 06		983.33			
Sale	160.000	01/17/12	05/21/14	7,850 25	6,284 89		1,565 36			
Subtotals				**12,761.64**	**10,212.95**					
TOTALS				**83,138.09**	**74,911.53**			**0.00**		
	Box D Long-Term Realized Gain						**18,029.33**			
	Box D Long-Term Realized Loss						**-9,802.77**			
	Box D Wash Sale Loss Disallowed					**0.00**				
	Box D Market Discount					**0.00**				

*** This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.**

Fidelity INVESTMENTS

2014 TAX REPORTING STATEMENT

MARTIN FAMILY FOUNDATION

Account No. **X86-217409** Customer Service: 800-544-5704
Recipient ID No ****-***9435** Payer's Fed ID Number: 04-3523567

FORM 1099-B* Copy B for Recipient OMB No. 1545-0715

2014 Proceeds from Broker and Barter Exchange Transactions

Long-term transactions for which basis <u>is not reported</u> to the IRS --report on Form 8949 with Box E checked and/or Schedule D, Part II

Proceeds are reported as **gross proceeds** unless otherwise indicated (a).(This Label is a Substitute for Boxes **2, 3, 5 & 6**)

(IRS Form 1099-B box numbers are shown below in **bold type**)

Action	Quantity	**1b** Date Acquired	**1c** Date Sold or Disposed	**1d** Proceeds	**1e** Cost or Other Basis (b)	**1f** Code, If Any (c) **1g** Adjustments	Gain/Loss (-)	**4 Federal Income Tax Withheld**	**14** State	**16** State Tax Withheld
1a Description of property, Stock or Other Symbol, CUSIP										
CALUMET SPECIALTY PRODS PARTNERS L P COM, CLMT, 131476103										
Sale	390.000	01/17/12	03/13/14	9,663 83	8,422.40		1,241.43			
Sale	102 000	01/17/12	11/12/14	2,884 70	2,202.78		681 92			
Sale	8 000	01/17/12	11/12/14	226.95	172.77		54 18			
Sale	415.000	03/09/12	11/12/14	11,773.29	10,063.40		1,709.89			
Subtotals				**24,548.77**	**20,861.35**					
ENTERPRISE PRODUCTS PPTNS LP, EPD, 293792107										
Sale	25.000	01/17/12	05/21/14	1,834.45	1,187.63		646.82			
Sale	200.000	01/17/12	05/21/14	14,670.72	9,501 07		5,169.65			
Subtotals				**16,505.17**	**10,688.70**					
SUBURBAN PROPANE PARTNERS L P, SPH, 864482104										
Sale	225.000	01/17/12	03/13/14	9,711.83	10,425 45		-713 62			
TOTALS				**50,765.77**	**41,975.50**			**0.00**		
Box E Long-Term Realized Gain							**9,503.89**			
Box E Long-Term Realized Loss							**-713.62**			
Box E Wash Sale Loss Disallowed						**0.00**				
Box E Market Discount						**0.00**				

*** This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.**

MARTIN FAMILY FOUNDATION I/M 881739101

DETAIL OF SHORT-TERM CAPITAL GAINS AND LOSSES

Capital Gain/Loss Detail	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Adjustment Code(s)	Amount of Adjustment	Gain or Loss
431.819 BOSTON TRUST SMALL CAP FUND	12/18/2013	05/01/2014	6,447.06	5,835.66			611.40
1449.869 CALVERT BOND A	VAR	06/25/2014	23,270.40	22,880.87			389.53
364.134 COHEN & STEERS REAL ESTATE SEC I	VAR	06/25/2014	5,822.50	4,673.29			1,149.21
Totals			35,539.96	33,389.82			2,150.14

JSA
XG900 3 000

MARTIN FAMILY FOUNDATION I/M 881739101

DETAIL OF LONG-TERM CAPITAL GAINS AND LOSSES

Capital Gain/Loss Detail	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Adjustment Code(s)	Amount of Adjustment	Gain or Loss
2026.144 BOSTON TRUST SMALL CAP FUND	07/26/2011	04/25/2014	30,331.38	27,381.61			2,949.77
1035.404 BOSTON TRUST SMALL CAP FUND	VAR	04/28/2014	15,437.87	13,992.60			1,445.27
1039.571 BOSTON TRUST SMALL CAP FUND	08/29/2011	04/29/2014	15,510.40	14,048.91			1,461.49
1038.874 BOSTON TRUST SMALL CAP FUND	VAR	04/30/2014	15,500.00	14,039.50			1,460.50
568.419 BOSTON TRUST SMALL CAP FUND	VAR	05/01/2014	8,486.49	7,681.70			804.79
10788.457 CALVERT BOND A	VAR	06/25/2014	173,154.75	170,256.48			2,898.27
5422.55 COHEN & STEERS REAL ESTATE SEC I	VAR	06/25/2014	86,706.57	69,592.63			17,113.94
1717.172 DFA INTL SUSTAINABILITY CORE	07/26/2011	04/14/2014	17,034.35	14,770.59			2,263.76
1444.867 DFA US SOCIAL CORE EQUITY 2	07/26/2011	06/25/2014	19,086.69	12,848.40			6,238.29
357.942 DFA US SOCIAL CORE EQUITY 2	07/26/2011	11/21/2014	4,821.48	3,188.42			1,633.06
3509.749 OAKMARK INTL SMALL CAP-CL I	VAR	06/25/2014	63,070.19	48,388.61			14,681.58
693.097 PARNASSUS CORE EQUITY INV	07/26/2011	04/14/2014	25,201.01	19,244.88			5,956.13
413.827 PARNASSUS CORE EQUITY INV	07/26/2011	11/21/2014	17,074.50	11,526.24			5,548.26
8428.128 PIMCO EMERGING LOCAL BOND INST	VAR	06/25/2014	81,668.56	89,767.75			-8,099.19
1635.056 TIAA-CREF SOCIAL CHOICE INSTL FD # 1834	07/26/2011	04/14/2014	25,179.86	18,174.55			7,005.31
962.464 TIAA-CREF HIGH YIELD FD INST CL	10/08/2012	04/14/2014	10,000.01	9,916.87			83.14
10761.905 TIAA-CREF HIGH YIELD FD INST CL	10/08/2012	06/25/2014	112,892.38	110,897.30			1,995.08
Totals			721,156.49	655,717.04			65,439.45

JSA
XG900 3 000