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Form **990-PF****Return of Private Foundation**

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

OMB No 1545-0052

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

For calendar year 2014 or tax year beginning **MAY 1, 2014**, and ending **APR 30, 2015**

Name of foundation

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

A Employer identification number

81-6075761

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

P.O. Box 3168

Room/suite

B Telephone number

(406) 657-8139

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

Portland, OR 97208-3168C 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 changeD 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 foundationE 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)

\$ 40,704,966. (Part I, column (d) must be on cash basis)

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify) _____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))

(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

1,000,230.**N/A**2 Check ☐ if the foundation is not required to attach Sch. B

3 Interest on savings and temporary cash investments

36,200.**36,200.****Statement 1**

4 Dividends and interest from securities

273,559.**273,559.****Statement 2**

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 **3,166,413.**

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

525,393.**525,393.**

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

22,565.**9,379.****Statement 3**

12 Total. Add lines 1 through 11

1,857,947.**844,531.**

13 Compensation of officers, directors, trustees, etc.

243,837.**62,244.****181,593.**

14 Other employee compensation and wages

183,656.**0.****183,656.**

15 Pension plans, employee benefits

8,443.**0.****8,443.**

16a Legal fees

b Accounting fees

c Other professional fees

15,421.**0.****15,421.****7,262.****0.****7,262.**

17 Interest

18 Taxes

83,483.**3,083.****80,400.**

19 Depreciation and depletion

20 Occupancy

180,600.**3,237.****177,363.**

21 Travel, conferences, and meetings

1,819.**0.****1,819.**

22 Printing and publications

23 Other expenses

45,206.**30.****45,176.**

24 Total operating and administrative expenses. Add lines 13 through 23

769,727.**68,594.****701,133.**

25 Contributions, gifts, grants paid

431,000.**431,000.**

26 Total expenses and disbursements. Add lines 24 and 25

1,200,727.**68,594.****1,132,133.**

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

657,220.

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

775,937.

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

N/A

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C/O U.S. Bank Trust Tax Department

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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	51,186.	130,124.	130,124.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations Stmt 9	2,960,836.	3,122,752.	3,154,861.
	b Investments - corporate stock Stmt 10	5,681,782.	5,662,161.	8,449,605.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶ 3,422,500.				
Less: accumulated depreciation ▶	3,422,500.	3,422,500.	3,179,302.	
15 Other assets (describe ▶ Statement 11)	17,929,243.	18,359,581.	25,791,074.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	30,045,547.	30,697,118.	40,704,966.	
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 ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	30,045,547.	30,697,118.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	30,045,547.	30,697,118.		
31 Total liabilities and net assets/fund balances	30,045,547.	30,697,118.		

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	30,045,547.
2 Enter amount from Part I, line 27a	2	657,220.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	30,702,767.
5 Decreases not included in line 2 (itemize) ▶ Accrued Income Securities	5	5,649.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	30,697,118.

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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 Publicly Traded Securities	P		
b Capital Gains Dividends			
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 2,989,424.		2,641,020.	348,404.
b 176,989.			176,989.
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			348,404.
b			176,989.
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	525,393.
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))
2013	1,047,762.	11,333,918.	.092445
2012	705,052.	9,873,343.	.071410
2011	1,269,971.	9,108,157.	.139432
2010	3,391,614.	10,618,881.	.319395
2009	2,385,692.	11,413,609.	.209022

2 Total of line 1, column (d)	2	.831704
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	.166341
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	12,330,592.
5 Multiply line 4 by line 3	5	2,051,083.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	7,759.
7 Add lines 5 and 6	7	2,058,842.
8 Enter qualifying distributions from Part XII, line 4	8	1,132,133.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	15,519.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	15,519.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	15,519.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	22,032.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2014 estimated tax payments and 2013 overpayment credited to 2014		6d	
b Exempt foreign organizations - tax withheld at source		7	22,032.
c Tax paid with application for extension of time to file (Form 8868)		8	
d Backup withholding erroneously withheld		9	
7 Total credits and payments. Add lines 6a through 6d		10	6,513.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		11	0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2015 estimated tax <input type="checkbox"/> 6,513. Refunded <input type="checkbox"/>			

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> MT		
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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>www.charlesmbairtrusts.org</u>	13	X	
14	The books are in care of ► <u>U.S. Bank Trust Tax Department</u> Telephone no. ► <u>503-275-6746</u> Located at ► <u>P.O. Box 3168, Portland, OR</u> ZIP+4 ► <u>97208-3168</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
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? 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 ►	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____, _____, _____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) 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 2014?	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 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)?

N/A

5b

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)

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

☐ Yes ☒ No

6b

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

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

X

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

☐ Yes ☒ No

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

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 12		243,837.	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, Key Employees, and 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	12,017,394.
b	Average of monthly cash balances	1b	500,974.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	12,518,368.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) See Statement 13	1e	14,486,187.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	12,518,368.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	187,776.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,330,592.
6	Minimum investment return. Enter 5% of line 5	6	616,530.

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	616,530.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	15,519.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	15,519.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	601,011.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	601,011.
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	601,011.

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	1,132,133.
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	1,132,133.
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	1,132,133.

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				601,011.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011	153,418.			
d From 2012	217,657.			
e From 2013	488,635.			
f Total of lines 3a through e	859,710.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$ 1,132,133.				
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				601,011.
e Remaining amount distributed out of corpus	531,122.			
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	1,390,832.			
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 instr.			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)	1,000,000.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	390,832.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014	390,832.			

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			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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).)

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 ☐ 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:

See Schedule II

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

See Schedule II

c Any submission deadlines:

See Schedule II

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

See Schedule II

Charles M. Bair Family Trust

Form 990-PF (2014)

C/O U.S. Bank Trust Tax Department

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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				
Alberta Bair Theater PO Box 1556 Billings, MT 59103	None	PC	Grant for education outreach for grades K-12	10,000.
Big Brothers & Sisters Yellowstone 504B North 20th Billings, MT 59101	None	PC	School based mentoring project	4,000.
Billings Catholic Schools 120 S 34th St Billings, MT 59101	None	PC	Grant toward pledge of 250,000	65,000.
Billings Clinic Foundation 2917 10th Ave. North Billings, MT 59101	None	PC	Provide remote access to simlab	25,000.
Billings Crisis Pregnancy Center PO Box 80146 Billings, MT 59108	None	PC	Grant for STI program	5,000.
Total	See continuation sheet(s)			431,000.
b Approved for future payment				
None				
Total				0.

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

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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
Billings Cultural Partners 622 North 29th Street Billings, MT 59101	None	PC	Grant high plains bookfest	3,000.
Billings Symphony Society 201 N Broadway Suite 350 Billings, MT 59101	None	PC	Education & outreach for area children	10,000.
Chase Hawks Memorial Association PO Box 31333 Billings, MT 59107	None	PC	Grant for operating support	5,000.
City County Preservation Committee PO Box 144 Harlowton, MT 59036	None	PC	Grant for picnic shelter at the Depot Museum	11,000.
City of Harlowton PO Box 292 Harlowton, MT 59036	None	PC	Grant for park playground equipment	45,000.
Education Foundation Billings Schools 415 N. 30th St Billings, MT 59101	None	PC	Grant to increase student science, math, technology, etc.	10,000.
Family Promise of Yellowstone Valley 40 10th Street West Billings, MT 59102	None	PC	Grant award for helping homeless families	10,000.
Family Service, Inc. PO Box 1020 Billings, MT 59103	None	PC	Funding for homeless at risk families	10,000.
Habitat for Humanity Mid Yellowstone Valley 180 24th St. W, STE H Billings, MT 59102	None	PC	Build home in Celestial Estates	5,000.
March of Dimes-National 643 Grand Ave. Suite B Billings, MT 59101	None	PC	Grant toward NICU family support	6,000.
Total from continuation sheets				322,000.

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
Meagher County Library Foundation PO Box 8 White Sulphur Spring, MT 59645	None	PC	Grant for new building	15,000.
Meagher County Nutrition Coalition PO Box 34 White Sulphur Spring, MT 59645	None	PC	Grant for backpack children's food program	11,500.
Meagher County PO Box 309 White Sulphur Spring, MT 59645	None	PC	Grant for fire rescue utv	20,000.
Meagher County PO Box 309 White Sulphur Spring, MT 59645	None	PC	Grant for Meagher County immunization program	6,000.
Montana State University Billings Foundation 1500 University Dr Billings, MT 59101	None	PC	Grant for educational operations	1,000.
Rocky Mountain College 1511 Poly Drive Billings, MT 59102	None	PC	Grant for learning support center	25,000.
Ronald McDonald House 1144 N. 30th Street Billings, MT 59101	None	PC	Grant for expansion of guest rooms	25,000.
St. Vincent Healthcare Foundation 1106 North 30th Billings, MT 59101	None	PC	Grant for pediatric platelett aggregometer	25,000.
Wise Wonders-A Montana Children's Museum 110 N 29th St Billings, MT 59101	None	PC	Grant of \$4000 for operating and \$1000 for perpetual expenses	5,000.
WSS Golf Association Inc PO Box 643 White Sulphur Spring, MT 59645	None	PC	Grant to repair and replace driving range	5,000.
Total from continuation sheets				

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

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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
Yellowstone Art Museum 401 North 27th Street Billings, MT 59101	None	PC	Support for programming costs for exhibitions	25,000.
Yellowstone Casa, Inc. PO Box 688 Billings, MT 59103	None	PC	New volunteer classes	13,500.
Young Families-Early Head Start PO Box 51269 Billings, MT 59105	None	PC	Grant for program for pregnant women/young parents	5,000.
YWCA of Billings 402 North 32nd St Billings, MT 59102	None	PC	Grant for victims of domestic violence	25,000.
Total from continuation sheets				

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Name of the organization

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

Employer identification number

81-6075761

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

- ☐ 501(c)() (enter number) organization
- ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- ☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
- ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
- ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

Employer identification number

81-6075761

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Bair Ranch Foundation U.S. Bank Trust, P.O. Box 30678 Billings, MT 59115-0678	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Name of organization

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

Employer identification number

81-6075761

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

Charles M. Bair Family Trust
C/O U.S. Bank Trust Tax Department

81-6075761**Part III**

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ► \$

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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	36,200.	36,200.	
Total to Part I, line 3	36,200.	36,200.	

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	450,548.	176,989.	273,559.	273,559.	
To Part I, line 4	450,548.	176,989.	273,559.	273,559.	

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Museum Admissions & Memberships	13,186.	0.	
Gift Shop Sales	4,965.	4,965.	
Royalty Income	3,163.	3,163.	
Other Income	1,251.	1,251.	
Total to Form 990-PF, Part I, line 11	22,565.	9,379.	

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	15,421.	0.		15,421.	
To Form 990-PF, Pg 1, ln 16b	15,421.	0.		15,421.	

Form 990-PF	Other Professional Fees			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Design Work	140.	0.		140.	
Artwork Transportaion	2,122.	0.		2,122.	
Appraisal	5,000.	0.		5,000.	
To Form 990-PF, Pg 1, ln 16c	7,262.	0.		7,262.	

Form 990-PF	Taxes			Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Foreign Taxes	3,083.	3,083.		0.	
Payroll Taxes	80,400.	0.		80,400.	
To Form 990-PF, Pg 1, ln 18	83,483.	3,083.		80,400.	

Form 990-PF	Other Expenses			Statement	7
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Miscellaneous	20.	0.		20.	
Advertising	22,493.	0.		22,493.	
IT Expenses	120.	0.		120.	
Unemployment Insurance	4,175.	0.		4,175.	
Dues & Subscriptions	285.	0.		285.	
Office Supplies	2,228.	0.		2,228.	
Food Expenses	1,479.	30.		1,449.	
Merchandise	3,642.	0.		3,642.	
Licenses & Registrations	193.	0.		193.	
Lumber Supplies	3,499.	0.		3,499.	
Montana State Fund	7,072.	0.		7,072.	
To Form 990-PF, Pg 1, ln 23	45,206.	30.		45,176.	

Footnotes

Statement 8

Treasury Regulation Section 53.4942(a)-3(c)(2)(iv) Election to Treat Unused Prior Year Corpus Distributions as Current Year Corpus Distributions:

Persuant to Treasury Regulation Sec. 53.4942(a)-3(c)(2)(iv), the Charles M. Bair Family Trust hereby elects to treat as a current distribution out of corpus the following unused prior tax year(s)' distributions that were treated as corpus distributions under Treasury Regulation Sec. 53.4942(a)-3(d)(1)(iii) in such prior taxable year(s):

Tax Year: Corpus
Amount: \$1,000,000

Form 990-PF	U.S. and State/City Government Obligations			Statement	9
Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value	
Fixed Income - See Schedule I	X		3,122,752.	3,154,861.	
Total U.S. Government Obligations			3,122,752.	3,154,861.	
Total State and Municipal Government Obligations					
Total to Form 990-PF, Part II, line 10a			3,122,752.	3,154,861.	

Form 990-PF	Corporate Stock		Statement	10
Description			Book Value	Fair Market Value
Equity - See Schedule I			5,662,161.	8,449,605.
Total to Form 990-PF, Part II, line 10b			5,662,161.	8,449,605.

Form 990-PF	Other Assets		Statement	11
Description	Beginning of Yr Book Value	End of Year Book Value	Fair Market Value	
Real Estate & Other Assets - See Schedule I	17,929,243.	18,359,581.	25,791,074.	
To Form 990-PF, Part II, line 15	17,929,243.	18,359,581.	25,791,074.	

Form 990-PF Part VIII - List of Officers, Directors Statement 12
Trustees and Foundation Managers

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Bill Jones PO Box 3168 Portland, OR 97208-3168	Chairman 15.00	0.	0.	0.
Karen Fagg PO Box 3168 Portland, OR 97208-3168	Vice Chair 15.00	0.	0.	0.
U.S. Bank Trustee Charles M. Bair Family Trust, 303 N. Broadway Billings, MT 59101	Secretary 15.00	234,287.	0.	0.
Moulton Bellingham PO Box 3168 Portland, OR 97208-3168	Member 15.00	3,600.	0.	0.
Kurt Alme PO Box 3168 Portland, OR 97208-3168	Member 15.00	2,200.	0.	0.
Sarah Calhoun PO Box 3168 Portland, OR 97208-3168	Member 15.00	2,200.	0.	0.
Arville Lammers PO Box 3168 Portland, OR 97208-3168	Member 15.00	850.	0.	0.
Joy Culver PO Box 3168 Portland, OR 97208-3168	Member 15.00	700.	0.	0.
Totals included on 990-PF, Page 6, Part VIII		243,837.	0.	0.

Form 990-PF

Reduction Explanation
Part X, Line 1e

Statement 13

Explanation for Reduction Claimed for Blockage or Other Factors

The Charles M. Bair Family Trust has a membership interest in another private foundation, The Bair Ranch Foundation. The Bair Ranch Foundation makes annual distributions based on the value of its assets. The contributions made to the Charles M. Bair Family Trust from the Bair Ranch Foundation are treated as pass through contributions. Accordingly, the value of the membership interest is not included as it is considered an exempt asset and to include the value here would result in duplication.

As to the value of the membership interests, book value has been utilized throughout this Return of the Private Foundation. The membership interest is not transferrable or sellable and these restrictions create a situation whereby the true value is not easily determinable. Since it is an exempt asset the value is not a significant issue. Accordingly, book value has been used.