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Return of Private Foundation

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

OMB No 1545-0052

2015

Department of the Treasury
Internal Revenue ServiceDo 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.

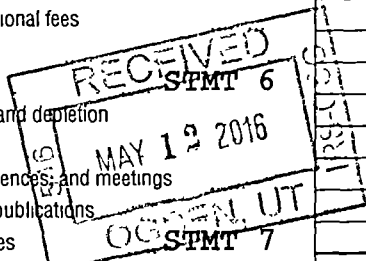
Open to Public Inspection

For calendar year 2015 or tax year beginning

, and ending

Name of foundation PEGGY AND STEVE FOSSETT FOUNDATION		A Employer identification number 20-4521801
Number and street (or P O box number if mail is not delivered to street address) 401 SOUTH LASALLE STREET	Room/suite 200	B Telephone number 312-786-5054
City or town, state or province, country, and ZIP or foreign postal code CHICAGO, IL 60605-2999		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 21,801,917.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		78,930.	78,930.		STATEMENT 1
4 Dividends and interest from securities		318,986.	318,986.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-2,919,930.			
b Gross sales price for all assets on line 6a		5,114,518.			
7 Capital gain net income (from Part IV, line 2)			0.		
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		2,679,424.	-4,641.		STATEMENT 3
12 Total. Add lines 1 through 11		157,410.	393,275.		
13 Compensation of officers, directors, trustees, etc.		116,769.	116,769.		0.
14 Other employee salaries and wages		78,769.	78,769.		0.
15 Pension plans, employee benefits					
16a Legal fees STMT 4		1,925.	1,925.		0.
b Accounting fees STMT 5		3,200.	3,200.		0.
c Other professional fees					
17 Interest					
18 Taxes STMT 6		22,264.	22,264.		0.
19 Depreciation and depletion		1,133.	1,133.		
20 Occupancy		27,640.	27,640.		0.
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		129,091.	129,091.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		380,791.	380,791.		0.
25 Contributions, gifts, grants paid		1,074,500.			1,074,500.
26 Total expenses and disbursements. Add lines 24 and 25		1,455,291.	380,791.		1,074,500.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-1,297,881.			
b Net investment income (if negative, enter -0-)			12,484.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	646,064.	828,893.	828,893.
	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			
	b Investments - corporate stock STMT 8	12,294,035.	12,370,179.	16,062,942.
	c Investments - corporate bonds STMT 9	5,150,391.	4,889,552.	4,870,508.
	11 Investments - land, buildings, and equipment: basis ▶			
Liabilities	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 10)	1,335,589.	39,574.	39,574.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	19,426,079.	18,128,198.	21,801,917.
	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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	19,426,079.	18,128,198.	
	30 Total net assets or fund balances	19,426,079.	18,128,198.	
	31 Total liabilities and net assets/fund balances	19,426,079.	18,128,198.	

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	19,426,079.
2 Enter amount from Part I, line 27a	2	-1,297,881.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	18,128,198.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	18,128,198.

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			
b SEE ATTACHED STATEMENT			
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 5,114,518.		8,034,448.	-2,919,930.

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			
b			
c			
d			
e			-2,919,930.

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-2,919,930.
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))
2014	1,028,264.	23,484,473.	.043785
2013	1,124,295.	22,118,504.	.050831
2012	1,107,055.	20,154,663.	.054928
2011	1,217,347.	19,785,000.	.061529
2010	876,716.	20,084,784.	.043651

2 Total of line 1, column (d)	2	.254724
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	.050945
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	23,019,863.
5 Multiply line 4 by line 3	5	1,172,747.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	125.
7 Add lines 5 and 6	7	1,172,872.
8 Enter qualifying distributions from Part XII, line 4	8	1,074,500.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	250.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	250.
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	250.
6 Credits/Payments:			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	7,960.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	7,960.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	7,710.	
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax <input type="checkbox"/> 250. Refunded <input type="checkbox"/>	11	7,460.	

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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <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?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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"/> IL		
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 2015 or the taxable year beginning in 2015 (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

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? Website address ► <u>N/A</u>	13	X
14 The books are in care of ► <u>DAVID MAIER</u> Telephone no. ► <u>312-786-5054</u> Located at ► <u>401 SOUTH LASALLE STREET, CHICAGO, IL</u> ZIP+4 ► <u>60605</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 2015, 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. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?		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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
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 2015 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 2015.)	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 2015?		4b X

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 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**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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
PEGGY V. FOSSETT	PRESIDENT			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	10.00	0.	0.	0.
DAVID MAIER	SECRETARY/TREASURER			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	40.00	116,769.	0.	0.
THOMAS VIEHLAND	DIRECTOR			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	0.25	0.	0.	0.
ABRAHAM J. STERN	DIRECTOR			
191 N. WACKER DRIVE, SUITE 1800				
CHICAGO, IL 60606	0.25	0.	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
BRIAN SPAETH - 401 SO LASALLE ST, SUITE 200, CHICAGO, IL 60605	40.00	78,769.	0.	0.

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

0

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

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	21,520,839.
b	Average of monthly cash balances	1b	908,997.
c	Fair market value of all other assets	1c	940,583.
d	Total (add lines 1a, b, and c)	1d	23,370,419.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	23,370,419.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	350,556.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	23,019,863.
6	Minimum investment return. Enter 5% of line 5	6	1,150,993.

Part XI**Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,150,993.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	250.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	250.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,150,743.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,150,743.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,150,743.

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	1,074,500.
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	1,074,500.
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	1,074,500.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				1,150,743.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011	103,509.			
c From 2012	104,482.			
d From 2013	27,924.			
e From 2014				
f Total of lines 3a through e	235,915.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ 1,074,500.				
a Applied to 2014, 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 2015 distributable amount				1,074,500.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	76,243.			76,243.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	159,672.			
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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				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 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	159,672.			
10 Analysis of line 9:				
a Excess from 2011	27,266.			
b Excess from 2012	104,482.			
c Excess from 2013	27,924.			
d Excess from 2014				
e Excess from 2015				

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				
PUBLIC CHARITIES--SEE ATTACHED LIST	NONE	PUBLIC CHARITIES	GENERAL OPERATIONS	929,500.
WINGS OVER THE ROCKIES AIR AND SPACE MUSEUM 7711 EAST ACADEMY BLVD DENVER, CO 80230	NONE	PUBLIC CHARITIES		145,000.
Total			3a	1,074,500.
b Approved for future payment				
NONE				
Total			3b	0.

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

- | | | Yes | No |
|----------|--|--------------|----------|
| | | | |
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

Signature of officer or trustee

Date _____

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

JOHN K. FLAHERTY

Nov

1

P01338544

Firm's name ► **JOHN K. FLAHERTY & ASSOCIATES, LTD.**

Firm's EIN ► 36-3745114

Firm's address ► 111 W. JACKSON BLVD., SUITE 1300
CHICAGO, IL 60604

Phone no. 312-341-0615

Form **990-PF** (2015)

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	PRIVATE BANK A/C 11315	P	VARIOUS	12/31/15
b	PRIVATE BANK A/C 11315	P	VARIOUS	12/31/15
c	PRIVATE BANK A/C 11315	P	VARIOUS	12/31/15
d	CLASS ACTION SETTLEMENT PROCEEDS	P	VARIOUS	12/31/15
e	CLASS ACTION SETTLEMENT PROCEEDS	P	VARIOUS	12/31/15
f	FROM MARATHON RACING K-1	P	VARIOUS	12/31/15
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 200,176.		200,122.	54.
b 3,067,088.		2,185,236.	881,852.
c 1,806,366.		1,719,494.	86,872.
d 20,444.			20,444.
e 20,444.			20,444.
f		3,929,596.	-3,929,596.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			54.
b			881,852.
c			86,872.
d			20,444.
e			20,444.
f			-3,929,596.
g			
h			
i			
j			
k			
l			
m			
n			
o			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	-2,919,930.
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

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
JP MORGAN - FOREIGN INTEREST	4,625.	4,625.	
JP MORGAN - GOVERNMENT INTEREST	18,043.	18,043.	
JP MORGAN - INTEREST CORPORATE BONDS	81,429.	81,429.	
THE PRIVATE BANK - ACCRUED INTEREST	825.	825.	
THE PRIVATE BANK - ACCRUED INTEREST PAID	-6,389.	-6,389.	
THE PRIVATE BANK - ACCRUED US INTEREST PAID	-1,549.	-1,549.	
THE PRIVATE BANK - BOND PREMIUM	-24,614.	-24,614.	
THE PRIVATE BANK - INTEREST	447.	447.	
THE PRIVATE BANK - MUNICIPAL BOND INTEREST	4,554.	4,554.	
THE PRIVATE BANK - OID	1,255.	1,255.	
THE PRIVATE BANK - US GOVERNMENT INTEREST	304.	304.	
TOTAL TO PART I, LINE 3	78,930.	78,930.	

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
PRIVATE BANK	318,986.	0.	318,986.	318,986.	
TO PART I, LINE 4	318,986.	0.	318,986.	318,986.	

FORM 990-PF	OTHER INCOME		STATEMENT	3
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
FROM K-1 MARATHON RACING	-4,641.	-4,641.		
CHANGE IN UNREALIZED	-103,291.	0.		
MARATHON RACING K1 BOOK/TAX DIFF	2,784,356.	0.		
VOTING TENDER FEE - HEWLETT	3,000.	0.		
TOTAL TO FORM 990-PF, PART I, LINE 11	2,679,424.	-4,641.		

FORM 990-PF	LEGAL FEES		STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	1,925.	1,925.		0.
TO FM 990-PF, PG 1, LN 16A	1,925.	1,925.		0.

FORM 990-PF	ACCOUNTING FEES		STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3,200.	3,200.		0.
TO FORM 990-PF, PG 1, LN 16B	3,200.	3,200.		0.

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 WITHHELD	6,706.	6,706.		0.
ANNUAL REPORTING FEES	15.	15.		0.
PAYROLL TAXES	4,434.	4,434.		0.
INCOME TAX	11,109.	11,109.		0.
TO FORM 990-PF, PG 1, LN 18	22,264.	22,264.		0.

FORM 990-PF	OTHER EXPENSES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	108,241.	108,241.		0.
UTILITIES	10,380.	10,380.		0.
OFFICE SUPPLIES & EXPENSE	525.	525.		0.
PAYROLL SERVICE	1,447.	1,447.		0.
BANK FEES	180.	180.		0.
POSTAGE & DELIVERIES	4,840.	4,840.		0.
DIVIDEND CHARGE	229.	229.		0.
INSURANCE	1,646.	1,646.		0.
MISCELLANEOUS EXPENSE	339.	339.		0.
COMPUTER EXPENSE	948.	948.		0.
COMMISSIONS	316.	316.		0.
TO FORM 990-PF, PG 1, LN 23	129,091.	129,091.		0.

FORM 990-PF	CORPORATE STOCK		STATEMENT	8
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
PRIVATE BANK	12,370,179.		16,062,942.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	12,370,179.		16,062,942.	

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
PRIVATE BANK	4,889,552.	4,870,508.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,889,552.	4,870,508.	

FORM 990-PF	OTHER ASSETS	STATEMENT	10
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INVESTMENT/MARATHON RACING INC	1,330,423.	35,542.	35,542.
LEASE DEPOSIT	1,766.	1,766.	1,766.
PHONE SYSTEM	3,400.	2,266.	2,266.
TO FORM 990-PF, PART II, LINE 15	1,335,589.	39,574.	39,574.

**Peggy Steve Fossett Foundation
2015
Contributions Made**

Date	NAME / ADDRESS	STATUS	Purpose	AMOUNT
02/17/15	● The Museum of Flight 9404 East Marginal Way South Seattle, WA 98108-4097	Public Charities	RESTRICTED Fossett Flyer's Program	\$100,000
02/17/15	● Brentwood High School Alumni Association Scholarship Fund 1201 Hanley Industrial Court Brentwood, MO 63144-1911	Public Charities	RESTRICTED BHS Scholarship Fund	\$5,000
02/17/15	● International Music Foundation 30 E. Adams Street, Suite 1206 Chicago, IL 60603	Public Charities	RESTRICTED Hess concerts	\$50,000
02/17/15	● Vail Valley Foundation General Fund Attn: Cecelia Folz, President P.O. Box 309 Vail, CO 81658	Public Charities	UNRESTRICTED	\$10,000
02/23/15	● Chicago Public Library Foundation 20 North Michigan Ave. Suite 520 Chicago, IL 60602	Public Charities	RESTRICTED Explore and Soar Summer Learning Challenge	\$25,000
02/23/15	● Monterey Bay Aquarium Development Dept. 886 Cannery Row Monterey, CA 93940-1023	Public Charities	UNRESTRICTED	\$25,000
02/23/15	● Vail Valley Medical Center Foundation PO Box 1529 Vail, CO 81658-9912	Public Charities	UNRESTRICTED	\$25,000
02/23/15	● Himalayan Cataract Project Attn: Geoff Tabin P O. Box 55 Waterbury, VT 05676	Public Charities	UNRESTRICTED	\$25,000
03/06/15	● Betty Ford Alpine Gardens 183 Gore Creek Drive Vail, CO 81657	Public Charities	RESTRICTED The Gardens	\$10,000
05/18/15	● Chicago Area Council, BSA 1218 West Adams Chicago, IL 60607	Public Charities	RESTRICTED 2015 Exploring Program	\$50,000
05/18/15	● Wildwood Historical Society P O. Box 125 Grover, MO 63040	Public Charities	Unrestricted	\$10,000
05/18/15	● Art Institute of Chicago 111 South Michigan Avenue Chicago, IL 60603	Public Charities	UNRESTRICTED	\$25,000
06/01/15	● Donald Danforth Plant Science Center 975 North Warson Rd. St. Louis, MO 63132	Public Charities	UNRESTRICTED	\$10,000
06/01/15	● Lakeview Pantry 3831 N. Broadway Chicago, IL 60613	Public Charities	UNRESTRICTED	\$5,000
06/01/15	● SOAR 244 E. Pearson St. Suite 102 Chicago, IL 60611	Public Charities	UNRESTRICTED	\$1,000
06/01/15	● Chicago Meals on Wheels 121 N LaSalle Street Suite 100 Chicago, IL 60602	Public Charities	UNRESTRICTED	\$5,000
06/01/15	● Big Sur Land Trust P O. Box 4071 Monterey, CA 93942	Public Charities	UNRESTRICTED	\$20,000
06/15/15	● Western Colorado Council, B S A P O. Box 763 Gypsum, CO 81637	Public Charities	RESTRICTED Steve Fossett Spirit of Adventure Ranch	\$10,000
06/15/15	● Little Flower Catholic School 1275 Boland Place Richmond Heights, MO 63117	Public Charities	Restricted Challenge Grant	\$30,000
06/22/15	● Field Museum of Natural History Attn: Steven Strohmeier 1400 S. Lake Shore Drive Chicago, IL 60605-2496	Public Charities	UNRESTRICTED	\$10,000

**Peggy Steve Fossett Foundation
2015**

Contributions Made

Date	NAME / ADDRESS	STATUS	Purpose	AMOUNT
06/22/15	● Walking Mountains PO Box 9469 82 E. Beaver Creek Blvd #202 Avon, CO 81620	Public Charities	UNRESTRICTED	\$5,000
06/22/15	● Steadman Philippon Research Institute 181 W. Meadow Drive Suite 1000 Vail, CO 81657	Public Charities	RESTRICTED Research	\$10,000
06/22/15	● Community Hospital Foundation P.O. Box HH Monterey, CA 93942	Public Charities	UNRESTRICTED	\$25,000
06/22/15	● Washington University One Brookings Drive St. Louis, MO 63130	Public Charities	RESTRICTED Department of Physics	\$25,000
06/22/15	● Webster University 470 E. Lockwood Ave. St. Louis, MO 63119	Public Charities	UNRESTRICTED	\$25,000
06/29/15	● Meals on Wheels of the Monterey Peninsula Sally Griffin Center 700 Jewell Ave. Pacific Grove, CA 93950	Public Charities	UNRESTRICTED	\$5,000
06/29/15	● Habitat for Humanity of Eagle & Lake Co 455 Nottingham Ranch Road Avon, CO 81620	Public Charities	UNRESTRICTED	\$5,000
06/29/15	● Carmel Highlands Volunteer Firefighters 73 Fern Canyon Road Carmel, CA 93923	Public Charities	UNRESTRICTED	\$5,000
06/29/15	● Wings Over the Rockies Air & Space Museum 7711 East Academy Boulevard Denver, CO 81657	Public Charities	UNRESTRICTED	\$20,000
06/29/15	● Greater Chicago Food Depository 4100 W. Ann Lane Place Chicago, IL 60632	Public Charities	Unrestricted	\$5,000
07/08/15	● Chicago Area Council, BSA 1218 West Adams Chicago, IL 60607	Public Charities	RESTRICTED Exploring Program	\$50,000
07/08/15	● Mercy Home for Boys and Girls 1140 W. Jackson Blvd. Chicago, IL 60607	Public Charities	UNRESTRICTED	\$5,000
08/13/15	● Wings Over the Rockies Air & Space Museum 7711 East Academy Boulevard Denver, CO 81657	Public Charities	RESTRICTED	\$5,000
08/24/15	● Adler Planetarium 1300 S. Lake Shore Drive Chicago, IL 60605	Public Charities	RESTRICTED Far Horizons Program	\$100,000
09/08/15	● Aero Club of Northern California c/o Santa Clara County Airports 2500 Cunningham Avenue San Jose, CA 95148	Public Charities	RESTRICTED Scholarship Fund	\$1,000
09/08/15	● Vail Valley Foundation P.O. Box 309 Vail, CO 81658	Public Charities	Restricted General Fund	\$10,000
09/08/15	● Vail Valley Foundation P.O. Box 309 Vail, CO 81658	Public Charities	Restricted	\$10,000
09/08/15	● Food Bank for Monterey County 815 W. Market St. #5 Salinas, CA 93901	Public Charities	UNRESTRICTED	\$5,000
09/21/15	● Bravo! Vail 2271 N. Frontage Rd. W Suite C Vail, CO 81657	Public Charities	Restricted Sponsorship Philadelphia Orchestra	\$50,000
11/09/15	● Vilar Performing Arts Center Attn: Kris Sabel PO Box 3822 Avon, CO 81620	Public Charities	UNRESTRICTED	\$25,000
11/09/15	● Crow Canyon Archaeological Center 23390 Road K Cortez, CO 81321	Public Charities	Restricted Annual Fund	\$2,500
11/09/15	● Tower Foundation c/o Mathew Siegel One Washington Square San Jose, CA 95192-0257	Public Charities	Restricted	\$25,000

Peggy Steve Fossett Foundation
2015
Contributions Made

<u>Date</u>	<u>NAME / ADDRESS</u>	<u>STATUS</u>	<u>Purpose</u>	<u>AMOUNT</u>
12/21/15	● Steadman Philippon Research Institute 181 W. Meadow Drive Suite 1000 Vail, CO 81657	Public Charities	UNRESTRICTED	\$45,000
12/21/15	● The Philadelphia Orchestra One South Broad St. 14th FL Philadelphia, PA 19107 P.O. Box 309 Vail, CO 81658	Public Charities	Restricted Annual Fund Dance Festival	\$10,000
12/21/15	● Food Bank for Monterey County 815 W. Market St. #5 Salinas, CA 93901	Public Charities	UNRESTRICTED	\$5,000
			2015 Total	<u>\$929,500.00</u>