

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015, or tax year beginning 01-01-2015, and ending 12-31-2015

Name of foundation MADRONA HILL FOUNDATION		A Employer identification number 26-1478178	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 4514		B Telephone number (see instructions) (503) 991-6559	
City or town, state or province, country, and ZIP or foreign postal code SALEM, OR 97302		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 3,734,375		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	
J Accounting method ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		Revenue and expenses per books (a)	Net investment income (b)	Adjusted net income (c)	Disbursements for charitable purposes (d) (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	3,252,144			
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1	1		
	4 Dividends and interest from securities	59,456	58,751		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-65,845			
	b Gross sales price for all assets on line 6a 1,172,436				
	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				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total.Add lines 1 through 11	3,245,756	58,752		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	2,500	1,250		1,250
	c Other professional fees (attach schedule)	19,536	19,536		0
	17 Interest				
	18 Taxes (attach schedule) (see instructions) . . .	2,031	31		0
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings.				
	22 Printing and publications				
	23 Other expenses (attach schedule).	616	0		616
	24 Total operating and administrative expenses. Add lines 13 through 23	24,683	20,817		1,866
	25 Contributions, gifts, grants paid	20,000			20,000
	26 Total expenses and disbursements.Add lines 24 and 25	44,683	20,817		21,866
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	3,201,073			
	b Net investment income (if negative, enter -0-)		37,935		
	c Adjusted net income(if negative, enter -0-) . . .				

Part II		Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments	52,737	629,647	629,647	
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions).				
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule)	51,004	 88,378	88,993	
	b	Investments—corporate stock (attach schedule)	303,051	 1,898,772	1,851,203	
	c	Investments—corporate bonds (attach schedule)	99,977	 156,773	139,789	
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____				
	12	Investments—mortgage loans.				
	13	Investments—other (attach schedule)	175,914	 1,104,042	1,018,599	
	14	Land, buildings, and equipment basis ▶ _____ 3,719 Less accumulated depreciation (attach schedule) ▶ 3,719				
15	Other assets (describe ▶ _____)	 0	 6,144	 6,144		
16	Total assets(to be completed by all filers—see the instructions Also, see page 1, item I)	682,683	3,883,756	3,734,375		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule).				
	22	Other liabilities (describe ▶ _____)				
	23	Total liabilities(add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted	682,683	3,883,756		
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg , and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances(see instructions)	682,683	3,883,756		
	31	Total liabilities and net assets/fund balances(see instructions)	682,683	3,883,756		

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	682,683
2	Enter amount from Part I, line 27a	2	3,201,073
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	3,883,756
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	3,883,756

Part IV

Capital Gains and Losses for Tax on Investment Income

List and describe the kind(s) of property sold (e g , real estate, (a) 2-story brick warehouse, or common stock, 200 shs MLC Co)		How acquired P—Purchase (b) D—Donation	Date acquired (c) (mo , day, yr)	Date sold (d) (mo , day, yr)
1 a	PUBLICLY TRADED SECURITIES	P		
b	CAPITAL GAINS DIVIDENDS	P		
c				
d				
e				

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
a 1,134,008		1,238,281	-104,273
b 38,428			38,428
c			
d			
e			

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

(i) F M V as of 12/31/69	Adjusted basis (j) as of 12/31/69	Excess of col (i) (k) over col (j), if any	Gains (Col (h) gain minus col (k), but not less than -0-) or (l) Losses (from col (h))
a			-104,273
b			38,428
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	-65,845
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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 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	934,961	715,217	1 307241
2013	116,150	720,053	0 161308
2012	141,273	877,425	0 161009
2011	126,084	948,843	0 132882
2010	106,216	920,260	0 115420

2 Total of line 1, column (d).	2	1 877860
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 375572
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5.	4	2,268,837
5 Multiply line 4 by line 3.	5	852,112
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	379
7 Add lines 5 and 6.	7	852,491
8 Enter qualifying distributions from Part XII, line 4.	8	21,866

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 page 18 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	759
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	759
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	759
6 Credits/Payments			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	2,013	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868).	6c	1,000	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d.		7	3,013
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached.		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	2,254
11 Enter the amount of line 10 to be Credited to 2015 estimated tax ☐ 2,254 Refunded ☐		11	0

Part VII-A

Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>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.</i>	1b		No
c Did the foundation file Form 1120-POL for this year?	1c		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2		No
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? <i>If "Yes," attach a conformed copy of the changes</i>	3		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ OR _____			
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? <i>If "No," attach explanation.</i>	8b	Yes	
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)? <i>If "Yes," complete Part XIV</i>	9		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i> 	10	Yes	

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶N/A	13	Yes	
14	The books are in care of ▶THE FOUNDATION Telephone no ▶(503) 364-4910 Located at ▶PO BOX 4514 SALEM OR ZIP+4 ▶97302			
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		
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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶	16	Yes	No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? ☐ Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐	1b		
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		No
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? ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	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 ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2015.</i>)	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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

5b

6b

6b		No
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7b

7b		
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1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

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

Total number of other employees paid over \$50,000.	0
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Part VIII

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

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

Total number of others receiving over \$50,000 for professional services.	0
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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	
2	
3	
4	

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

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

[illegible]

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	1,719,664
b	Average of monthly cash balances.	1b	583,724
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	2,303,388
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	2,303,388
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	34,551
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,268,837
6	Minimum investment return. Enter 5% of line 5.	6	113,442

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	113,442
2a	Tax on investment income for 2015 from Part VI, line 5.	2a	759
b	Income tax for 2015 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	759
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	112,683
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	112,683
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	112,683

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	21,866
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	21,866
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	21,866

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				112,683
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2015				
a From 2010.	60,815			
b From 2011.	79,992			
c From 2012.	98,616			
d From 2013.	82,245			
e From 2014.	899,928			
f Total of lines 3a through e.	1,221,596			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ \$ 21,866				
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.				21,866
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).)	90,817			90,817
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,130,779			
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 instructions.			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).	0			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a.	1,130,779			
10 Analysis of line 9				
a Excess from 2011.	49,990			
b Excess from 2012.	98,616			
c Excess from 2013.	82,245			
d Excess from 2014.	899,928			
e Excess from 2015.				

Part XIV

b Check box to indicate whether the organization is a private operating foundation described in section 14942(j)(3) or 14942(j)(5)

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

1 Information Regarding Foundation Managers:

See Additional Data Table

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

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

MARK BURNHAM
PO BOX 4514
SALEM, OR 97302
(503) 364-4910

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

ALL REQUESTS MUST BE MADE IN WRITING THE FOUNDATION DOES NOT HAVE A STANDARD FORM FOR THE APPLICATION

c Any submission deadlines
THE BOARD MEETS TO REVIEW REQUESTS ON 4/30 AND 10/30 OF EACH YEAR, AND WILL RESPOND WITHIN 60 DAYS

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

THE FOUNDATION HAS SET NO RESTRICTIONS, HOWEVER THE FOCUS IS ON CHILDREN AND EDUCATION

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

Form **990-PF** (2015)

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments.					
3	Interest on savings and temporary cash investments			14	1	
4	Dividends and interest from securities.			14	59,456	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.					
6	Net rental income or (loss) from personal property					
7	Other investment income.					
8	Gain or (loss) from sales of assets other than inventory			18	-65,845	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal Add columns (b), (d), and (e).		0		-6,388	0
13	Total. Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations)			13		-6,388

[illegible]

Form 990PF Part XV Line 1a - 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).

MARK BURNHAM
CHERYL BURNHAM

TY 2015 Accounting Fees Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	2,500	1,250		1,250

TY 2015 Investments Corporate Bonds Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Name of Bond	End of Year Book Value	End of Year Fair Market Value
ISTAR FINANCIAL INC	10,014	10,000
WEBMD HEALTH CORP	5,107	5,144
US STEEL CORP NEW NOTE	8,663	8,100
US STEEL CORP NOTE	10,366	6,900
SEACOR HOLDINGS INC NOTE	5,176	4,675
POTLATCH CORP NEW SR	11,190	10,950
DONNELLEY RR & SONS	5,547	5,156
DELUXE CORP SR NT	5,112	5,200
TRANSOCEAN LIMITED NOTE	5,145	3,450
COPANO ENERGY LLC	4,377	3,992
HECKLA MINING CO BOND	23,396	18,250
LENDER PROCESSING SVCS INC.	15,797	15,450
DONNELLEY RR & SONS	9,619	8,575
OLIN CORP NOTE CALL	5,085	4,750
MURPHY OIL CORP	12,470	11,475
PLAINS EXPL & PRODTN CO	3,366	1,890
REDSTONE ARSENAL SER 144A	5,256	4,895
BELLSOUTH CORP NOTE CALL	11,087	10,937

TY 2015 Investments Corporate Stock Schedule

Name: MADRONA HILL FOUNDATION
EIN: 26-1478178

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ALPS ETF TR ALERIAN	0	0
ABERDEEN ASIA PACIFIC	9,362	8,441
ALLIANCE BERNSTEIN INCOME FUND	8,608	8,759
ISHARES NASDAZ BIOTECHNOLOGY	175,828	161,722
LEHMAN BRTH HLD ESCROW	19,500	0
POWERSHARES QQQ TR UNIT	344,798	347,996
POWERSHARES EXCHANGE TRADED FD	176,340	160,301
FIRST TR EXCHANGE TRADED FD DOW JONES	341,928	374,915
SPDR SER TR S&P	88,324	82,121
SELECT SECTOR SPDR TR CONSUMER	350,796	342,891
ISHARES SELECT DIVIDEND ETF	139,894	137,449
ISHARES TR INTL SEL DIV ETF	14,262	12,489
ISHARES TR MTG RL ES CP ETF	33,572	29,282
SECTOR SPDR TR SHS BEN INT ENERGY	42,901	38,243
SECTOR SPDR TR SHS BEN INT INDUSTRIAL	19,246	19,402
ISHARES TIPS BOND ETF	5,685	5,594
ISHARES CORE US AGGREGATE BOND ETF	14,340	14,257
ISHARES IBOXX INVESTMENT GRADE	8,666	8,551
ISHARES TR MRG RL ES CP ETF	8,872	7,562
BLACKROCK TAXABLE MUNICIPAL BOND	5,961	6,294
CALAMOS CONV OPP AND INC FD SH	8,212	8,176
GLD FUND COM SH BEN	2,384	2,252
MEDALLION FINL CORP	7,441	7,005
PIMCO DYNAMIC INCOME FD COM	5,862	5,472
PIMCO DYNAMIC CR INCOME FD COM SHS	6,116	5,409
PROSPECT CAP CORP	23,577	21,638
ZWEIG TOTAL RETURN FUND INC COM	3,654	3,764
PUBLIC STORAGE DEPOSITARY SH	19,063	19,829
PUBLIC STORAGE DEP SHS REPSTG	5,094	5,156
SOUTHWESTERN ENERGY CO DEP SHS	8,486	6,233

TY 2015 Investments Government Obligations Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

**US Government Securities - End of
Year Book Value:**

0

**US Government Securities - End of
Year Fair Market Value:**

0

**State & Local Government
Securities - End of Year Book
Value:**

88,378

**State & Local Government
Securities - End of Year Fair
Market Value:**

88,993

TY 2015 Investments - Other Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ILLAHE VENTURES, LLC	AT COST	0	0
LOOMIS SAYLES STRATEGIC INC	AT COST	22,335	21,629
SPRTN TOTAL MKT INDX FID	AT COST	263,334	250,613
FIDELITY BALANCED	AT COST	488,522	445,446
FIRST EAGLE GOLD CLASS A	AT COST	40,229	34,874
PERMANENT PORTFOLIO	AT COST	64,180	56,438
SALIENT MLP & ENERGY INFRASTRUCTURE	AT COST	19,216	16,471
FIDELITY FLOATING RATE HIGH INCOME	AT COST	66,878	62,851
METROPOLITAN WEST TOT RETURN BOND	AT COST	52,549	51,696
WASATCH HOISINGTON US TREASURY	AT COST	25,591	24,955
LOOMIS SAYLES BOND RETAIN SHARES	AT COST	15,000	14,078
WASATCH HOISINGTON US TREASURY	AT COST	2,859	2,764
POTLATCH CORP NEW COM	AT COST	3,607	3,024
BROOKFIELD DTLA FD OFFICE TR	AT COST	13,981	11,538
POTLATCH CORP NEW COM	AT COST	11,922	10,009
PERMANENT PORTFOLIO	AT COST	5,756	5,004
SALIENT MLP & ENERGY INFRASTRUCTURE	AT COST	8,083	7,209

TY 2015 Other Assets Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ACCRUED INTEREST PURCHASED	0	1,210	1,210
INTEREST RECEIVABLE	0	3,118	3,118
DIVIDENDS RECEIVABLE	0	1,816	1,816

TY 2015 Other Expenses Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OFFICE EXPENSES	132	0		132
STATE FEES	484	0		484

TY 2015 Other Professional Fees Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	19,536	19,536		0

TY 2015 Substantial Contributors Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Name	Address
MARK AND CHERYL BURNHAM	3558 GRANDON LANE S SALEM, OR 97302
GRANDON HOLDINGS LLC	3558 GRANDON LANE S SALEM, OR 97302

TY 2015 Taxes Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAXES	2,000	0		0
FOREIGN TAXES	31	31		0

Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service	Schedule of Contributors ▶ Attach to Form 990, 990-EZ, or 990-PF. ▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at <u>www.irs.gov/form990</u>.	OMB No 1545-0047 2015

Name of the organization MADRONA HILL FOUNDATION	Employer identification number 26-1478178
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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 other 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 33¹/₃% 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 990PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization MADRONA HILL FOUNDATION	Employer identification number 26-1478178
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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	MARK CHERYL BURNHAM	\$ 700,000	Person ☒
	3558 GRANDON LANE S		Payroll ☐
	SALEM, OR 97302		Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
2	GRANDON HOLDINGS LLC	\$ 2,552,144	Person ☒
	3558 GRANDON LANE SOUTH		Payroll ☐
	SALEM, OR 97302		Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person ☐
			Payroll ☐
			Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person ☐
			Payroll ☐
			Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person ☐
			Payroll ☐
			Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person ☐
			Payroll ☐
			Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person ☐
			Payroll ☐
			Noncash ☐ (Complete Part II for noncash contributions)

Name of organization MADRONA HILL FOUNDATION	Employer identification number 26-1478178
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Part II **Noncash Property**
(see instructions) Use duplicate copies of Part II if additional space is needed

[illegible]

Employer identification number
26-1478178

(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	
	--		
	-		
(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	
	--		
	-		
(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	
	--		
	-		
(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	
	--		
	-		