Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

Name of foundation: Francis T. and Louise T. Nichols Foundation

A Employer identification number: 01-0493311

Number and street (or P O box number if mail is not delivered to street address): PO Box 1210 — Room/suite:

B Telephone number (see instructions): 207-947-0111

City or town, state or province, country, and ZIP or foreign postal code: Bangor, ME 04402-1210

C 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 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) ▶ $ 34,213,759

J Accounting method: ☑ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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) (see instructions).)*

Section	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	114,015	114,015	114,015	
	4	Dividends and interest from securities	633,962	633,962	633,962	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	190,958			
	b	Gross sales price for all assets on line 6a 1,047,109				
	7	Capital gain net income (from Part IV, line 2)		190,958		
	8	Net short-term capital gain			2,308	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) C.G.Distributions	330,750	330,750	330,750	
	12	**Total.** Add lines 1 through 11	1,269,685	1,269,685	1,081,035	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	115,868	115,868	115,868	
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	41,936	41,936	41,936	41,936
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	67,221	67,221	67,221	67,221
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	225,025	225,025	225,025	225,025
	25	Contributions, gifts, grants paid	1,600,000			1,600,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,825,025	225,025	225,025	1,825,025
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	0			
	b	**Net investment income** (if negative, enter -0-)		1,044,660		
	c	**Adjusted net income** (if negative, enter -0-)			856,010	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	7,378,342	3,238,455	3,238,455
	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)	105,512	105,512	105,331
	b Investments—corporate stock (attach schedule)	11,735,518	14,905,935	27,949,739
	c Investments—corporate bonds (attach schedule)	2,514,428	2,923,869	2,920,234
	11 Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	21,733,800	21,173,771	34,213,759
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			
	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	21,733,800	21,173,771	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	21,733,800	21,173,771	
	30 **Total net assets or fund balances** (see instructions)	21,733,800	21,173,771	
	31 **Total liabilities and net assets/fund balances** (see instructions)	21,733,800	21,173,771	

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	21,733,800
2	Enter amount from Part I, line 27a	2	0
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	21,733,800
5	Decreases not included in line 2 (itemize) ▶ net excess distributions	5	560,029
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	21,173,771

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	see schedule attached			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(i) 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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

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

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 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))
2015	1,671,411	32,860,249	.05086
2014	1,546,166	33,889,762	.045623
2013	981,924	31,834,872	.03084
2012	841,842	17,708,630	.04750
2011	730,294	16,801,342	.043466

2	**Total** of line 1, column (d) . . .	2	0.218289
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	0.0436578
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 . . .	4	34,136,416
5	Multiply line 4 by line 3 . . .	5	1,490,321
6	Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	10,446
7	Add lines 5 and 6 . . .	7	1,500,767
8	Enter qualifying distributions from Part XII, line 4 . . .	8	1,825,025

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 ▶ ☐ 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	10,447
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	
3	Add lines 1 and 2	3	10,447
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	10,447
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a		
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	
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	10,447
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶ **Refunded** ▶	11	

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?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
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? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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? *If "Yes," attach the statement required by General Instruction T.*	5		✓
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	✓	
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*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶			
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*	8b	✓	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶

14 The books are in care of ▶ Calvin E. True Telephone no. ▶ 207-947-0111

Located at ▶ 80 Exchange Street, Bangor, ME ZIP+4 ▶ 04401

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

			Yes	No
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		✓
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
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)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1c		✓
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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 2016 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 2016.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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 2016?	4b		✓

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

			Yes	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			
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)?	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? ☐ 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		✓
	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?	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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Susan Thibault 546 Spear St., Charlotte VT 05445	Trustee 1 hr/wk	0	0	0
William Nichols 417 Pettingill Rd., Essex Jct. VT 05452	Trustee 1 hr/wk	0	0	0
Calvin E. True PO Box 1210, Bangor ME 04402-1210	Trustee 5 hrs/wk	115,868	0	0

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

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

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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
Alterity Financial Management	Investment Advice	41,936
Total number of others receiving over $50,000 for professional services . . . . ▶		

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	
Total. Add lines 1 through 3 . . . . ▶	

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	28,678,333
b	Average of monthly cash balances	1b	5,458,083
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	34,136,416
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	34,136,416
6	**Minimum investment return.** Enter 5% of line 5	6	1,706,821

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	1,706,821
2a	Tax on investment income for 2016 from Part VI, line 5	2a	10,447		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	10,447
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,696,374
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,696,374
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	1,696,374

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	1,825,025
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,825,025
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	10,447
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,814,578

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 2015	(c) 2015	(d) 2016
1	Distributable amount for 2016 from Part XI, line 7				1,696,374
2	Undistributed income, if any, as of the end of 2016.				
a	Enter amount for 2015 only				
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2016:				
a	From 2011				
b	From 2012				
c	From 2013				
d	From 2014				
e	From 2015				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2016 from Part XII, line 4: ▶ $				
a	Applied to 2015, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2016 distributable amount				1,696,374
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b	Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d	Subtract line 6c from line 6b. Taxable amount—see instructions				
e	Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount—see instructions				
f	Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				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)				
8	Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2012				
b	Excess from 2013				
c	Excess from 2014				
d	Excess from 2015				
e	Excess from 2016				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling . . . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2a 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).)

n/a

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.

n/a

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:

Calvin E. True PO Box 1210, Bangor ME 04402-1210 207-947-0111

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

application must be writing

c Any submission deadlines:

n/a

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

n/a

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*				
see schedule attached				
Total ▶ 3a				~~1,600,000~~ 0
b *Approved for future payment*				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
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					
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)					

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

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions)

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

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.

[signature] 5/15/17 Trustee

Signature of officer or trustee — Date — Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☑ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	self prepared				
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no	

SCHEDULE E: PART I

Line 11:

Capital Gains Distributions	$330,750

Line 16(c):

Investment Advisory Fees	$ 41, 936

Line 18:

U.S. Treasury	$ 67,221

	Nichols Foundation Charitable Distribution List	2016	2017
	CATEGORY 1:		
	MANDATORY DISTRIBUTIONS ($100,000)		
1	George Stevens Academy	$ 90,000.00	
2	Penobscot Marine Museum	$ 3,000.00	
3	Mystic Seaport Museum	$ 3,000.00	
4	Maine Maritime Museum	$ 3,000.00	
5	Beth Eden Chapel	$ 1,000.00	
	TOTAL MANDATORY DISTRIBUTIONS	**$ 100,000.00**	
	CATEGORY 2:		
	DISCRETIONARY DISTRIBUTIONS TO DESIGNATED CHARITIES ($675,000 = 45% of $1,500,000 after $100,000 mandatory distributions)		
6	George Stevens Academy (See #1)	$ 3,000.00	cap
7	Maine Children's Home for Little Wanderers	$ 60,000.00	cap
8	Hancock County Homecare and Hospice	$ 50,000.00	
9	Blue Hill Memorial Hospital	$ 55,000.00	
10	Spruce Run	$ 60,000.00	
11	Peninsula Ambulance Corps	$ 30,000.00	cap
12	Community Health & Counseling Services	$ 40,000.00	
13	Blue Hill Heritage Trust	$ 40,000.00	
14	Blue Hill Public Library	$ 15,000.00	
15	Brooklin Volunteer Fire Co. Inc.	$ 15,000.00	
16	Blue Hill Fire Co.	$ 15,000.00	
17	The Friend Memorial Library	$ 15,000.00	
18	Williams College	$ 25,000.00	
19	Hancock County Habitat for Humanity	$ 70,000.00	
20	United Way of Eastern Maine	$ 37,850.00	
21	American Red Cross	$ 35,000.00	
22	Green Mountain Vermont Habitat for Humanity	$ 70,000.00	
23	Women Safe	$ 2,000.00	
24	United Way of Addison County	$ 10,000.00	
25	JUMP	$ 2,500.00	
26	Spectrum Youth and Family Services (also under IV)	$ 14,650.00	
27	Community Health Center of Burlington (also under III)	$ 10,000.00	
	TOTAL DISCRETIONARY DISTRIBUTIONS	**$ 675,000.00**	
	CATEGORY 3:		
	DISCRETIONARY DISTRIBUTIONS TO CHARITIES "ACTIVE" IN MAINE OR VERMONT $675,000 = 45% of $1,500,000 after $100,000 mandatory distributions)		

28	Penobscot Marine Museum (See #2)	$ 3,000.00	
29	Mystic Seaport Museum (See #3)	$ 1,000.00	
30	Maine Maritime Museum (See #4)	$ 3,000.00	
31	Volunteers of America	$ 10,000.00	
32	Brooklin Youth Corps	$ 500.00	
33	Islesford Boatworks	$ 5,000.00	cap
34	Seabee Memorial Scholarship Assn	$ 25,000.00	
35	American Parkinson Disease Assoc. Vermont Chapter	$ 10,000.00	
36	Women Helping Battered Women	$ 45,000.00	
37	Lund Family Center	$ 57,000.00	
38	Ronald McDonald House Charities of Burlington, Vermont	$ 10,000.00	
39	Vermont Children's Trust Foundation	$ 58,000.00	
40	Lake Champlain Maritime Museum	$ 6,000.00	
41	Champlain Adaptive Mounted Program	$ 6,500.00	
42	Camp Ta-Kum-Ta	$ 20,000.00	
43	Vermont Make A Wish Foundation	$ 20,000.00	
44	Kids Safe Collaborative	$ 30,000.00	
45	Vermont Children's Miracle Network @ Fletcher Allen	$ 20,000.00	
46	Hunger Free Vermont	$ 40,000.00	
47	Horatio Alger Association of Distinguished Americans	$ 25,000.00	
48	Community Health Center in Burlington (also under II)	$ 20,000.00	
49	Addison County Health Center	$ 5,000.00	cap
50	Vermont Food Bank	$ 20,000.00	
51	Foster Care To Success	$ 30,000.00	
52	Mobius Inc	$ 25,000.00	
53	Vermont Student Assistance 1 - Agricultural	$ 25,000.00	
54	Vermont Student Assostance 2 - General	$ 25,000.00	
55	Vermont Student Assistance 3 Agricultural	$ 25,000.00	
56	Vermont Student Assistance 4 General	$ 25,000.00	
57	VABVI - Vermont Blind and Visually Impaired	$ 5,000.00	
58	DREAM Program	$ 5,000.00	cap
59	John Graham Shelter	$ 10,000.00	
60	Homeshare Vermont	$ 25,000.00	
61	Blue Hill Society for Aid to Children	$ 10,000.00	
62	Immigrant Legal Advocacy Project	$ 10,000.00	
63	Special Childrens Fund	$ 5,000.00	
64	HOME	$ 10,000.00	
	TOTAL DISCRETIONARY MAINE & VERMONT 45%	**$ 675,000.00**	
	Category 4: Discretionary Distributions to charities in the State of Vermont $150,000 = 10% of $1,500,000 after $100,000 mandatory distributions)		
65	King Street Youth Center	$ 5,000.00	
66	Chittenden Emergency Food Shelf	$ 10,000.00	
67	Essex CHIPS and Teen Center	$ 5,000.00	
68	Vermont Works for Women	$ 20,000.00	
69	Hopeworks Inc	$ 20,000.00	
70	Prevent ChildAbuse Vermont	$ 15,000.00	
71	Boys and Girls Club of Burlington	$ 10,000.00	
72	Spectrum Youth and Family Services (also funded under II)	$ 10,000.00	
73	Sarah Holbrook Community Center	$ 10,000.00	
74	Our Community Cares Camp	$ 5,000.00	cap
75	Therapy Dogs of Vermont	$ 5,000.00	

76	CLIF	$ 6,300.00	
77	COTS	$ 10,000.00	
78	Vermont Adult Learning	$ 5,000.00	
79	Partners in Adventure	$ 3,700.00	
80	VT Refugee Resettlement Program	$ 5,000.00	
81	Dismas House	$ 5,000.00	
	Total Discretionary 10%	**$ 150,000.00**	
	TOTAL ANNUAL DISTRIBUTIONS	**$ 1,600,000.00**	

SCHEDULE PART II
Lines 10(a), (b) and (c)

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Cash and Equivalent						
Principal Cash	0.000	400.00	400.00	0.00%	0	0.00%
Income Cash	0.000	400.00	400.00	0.00%	0	0.00%
Federated Government Obligation Fund SS Fund #395	2,508,777.720	2,508,777.72	2,508,777.72	10.01%	3,310	0.13%
Federated Government Obligation Fund SS Fund #395	435,926.540	435,926.54	435,926.54	1.74%	575	0.13%
Total Cash and Equivalent		***$ 2,945,504.26***	***$ 2,945,504.26***	***11.75%***	***$ 3,885***	***0.13%***
Fixed Income						
Taxable						
Corporates						
Airgas Inc Note 3.650% 7/15/2024	100,000.000	102,584.00	103,668.00	0.41%	3,650	3.52%
BMC Software Inc Note 7.250% 6/01/18	100,000.000	103,699.50	100,500.00	0.40%	7,250	7.21%
Berkshire Hathaway Fin Corp Mtnf 3.00% 5/15/20	100,000.000	97,904.00	101,893.00	0.41%	3,000	2.94%
Black Hills Corp Note 4.25% 11/30/2023	100,000.000	101,100.00	105,305.00	0.42%	4,250	4.04%
Cameron International Corp Note 4.0% 12/15/2023	100,000.000	99,641.00	99,617.00	0.40%	4,000	4.02%
Dow Chem Co Sr Internotes Mtnf 3.350% 8/15/1	20,000.000	20,070.00	19,901.40	0.08%	670	3.37%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Dow Chem Co Sr Internotes Mtnf 3.650% 9/15/20	50,000.000	50,000.00	48,751.00	0.19%	1,825	3.74%
Dow Chem Co Sr Internotes Mtnf 4.250% 9/15/23	50,000.000	50,000.00	49,946.50	0.20%	2,125	4.25%
Duke Realty Corp Note 3.875% 2/15/21	100,000.000	99,460.00	104,217.00	0.42%	3,875	3.72%
Ebay Inc Note 3.450% 8/01/2024	100,000.000	100,752.00	98,441.00	0.39%	3,450	3.50%
Energy Transfer 4.15% 20 Notes Due 10/01/20	50,000.000	49,914.50	51,777.00	0.21%	2,075	4.01%
Fluor Corp New Note 3.375% 9/15/21	100,000.000	99,426.00	102,566.00	0.41%	3,375	3.29%
Goldman Sachs Group Inc Note 5.625% 1/15/17	100,000.000	108,777.00	100,122.00	0.40%	5,625	5.62%
Health Care Reit Inc Note 4.125% 4/01/19	100,000.000	104,539.00	103,822.00	0.41%	4,125	3.97%
Hewlett Packard Co Note 4.375% 9/15/2021	100,000.000	105,116.00	105,200.00	0.42%	4,375	4.16%
Home Depot Inc Note 2.000% 6/15/19	80,000.000	79,693.60	80,696.80	0.32%	1,600	1.98%
Kla-Tencor Corp Note 3.375% 11/01/2019 Callable 10/01/2019 @ 100	50,000.000	49,995.50	51,188.00	0.20%	1,687	3.30%
Kla-Tencor Corp Note 4.125% 11/01/2021 Callable 9/01/2021 @ 100	50,000.000	49,991.50	52,140.50	0.21%	2,062	3.96%
Kinder Morgan Energy Partner Note 2.650% 2/01/19	100,000.000	99,825.00	100,526.00	0.40%	2,650	2.64%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Merrill Lynch & Co Inc Note 5.700% 5/02/17	100,000.000	107,630.00	101,363.00	0.40%	5,700	5.62%
Nabors Inds Inc Note 6.150% 2/15/18	100,000.000	111,742.00	103,750.00	0.41%	6,150	5.93%
Oracle Corp Note 2.250% 10/08/2019	100,000.000	99,888.00	101,213.00	0.40%	2,250	2.22%
Philip Morris Intl Inc Note 3.250% 11/10/2024	50,000.000	49,385.50	50,339.00	0.20%	1,625	3.23%
Plains Exploration & Production Deb 6.125% 6/15/19	66,000.000	72,553.14	67,485.00	0.27%	4,042	5.99%
Prudential Finl Inc Mtns Boo Mtnf 2.350% 8/15/19	100,000.000	99,920.00	100,965.00	0.40%	2,350	2.33%
Southern Nat Gas Co Note 4.400% 6/15/2021	100,000.000	100,989.00	106,049.00	0.42%	4,400	4.15%
Southwest Airlines 2.75% 11/06/2019 Callable	30,000.000	29,938.80	30,529.50	0.12%	825	2.70%
Spectra Energy Partners LP Note 2.950% 9/25/18	100,000.000	101,749.00	101,578.00	0.41%	2,950	2.90%
Teck Resources LTD Mtnf 3.150% 1/15/17	100,000.000	101,719.00	99,973.00	0.40%	3,150	3.15%
Thermo Fisher Scientific Inc Note 4.150% 2/01/2024	100,000.000	99,730.00	104,133.00	0.42%	4,150	3.99%
Time Warner Cable Inc Note 8.750% 2/14/19	100,000.000	117,721.00	112,694.00	0.45%	8,750	7.76%
Vale Overseas LTD Note 5.625% 9/15/19	100,000.000	108,738.00	105,650.00	0.42%	5,625	5.32%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Verizon Comm Inc 4.5% 20 Notes Due 9/15/20	50,000.000	49,935.00	53,505.50	0.21%	2,250	4.21%
Verizon Communications Inc Note 3.000%11/01/2	100,000.000	99,742.00	100,729.00	0.40%	3,000	2.98%
Total Corporates		**$ 2,923,869.04**	**$ 2,920,234.20**	**11.65%**	**$ 118,886**	**4.07%**
Total Taxable		**$ 2,923,869.04**	**$ 2,920,234.20**	**11.65%**	**$ 118,886**	**4.07%**
Tax-Exempt						
Municipal Bonds						
Town of Stratford CT GO 4.137% Due 8/15/2021	100,000.000	105,512.00	105,331.00	0.42%	4,137	3.93%
Total Municipal Bond Funds		**$ 105,512.00**	**$ 105,331.00**	**0.42%**	**$ 4,137**	**3.93%**
Total Tax-Exempt		**$ 105,512.00**	**$ 105,331.00**	**0.42%**	**$ 4,137**	**3.93%**
Total Fixed Income		***$ 3,029,381.04***	***$ 3,025,565.20***	***12.07%***	***$ 123,023***	***4.07%***
Equity						
Consumer Discretionary						
Costco Whsl Corp New Com	2,000.000	304,458.95	320,220.00	1.28%	3,600	1.12%
VF Corp	8,000.000	293,150.30	426,800.00	1.70%	13,440	3.15%
Total Consumer Discretionary		**$ 597,609.25**	**$ 747,020.00**	**2.98%**	**$ 17,040**	**2.28%**

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Consumer Staples						
Altria Group Inc	10,000.000	333,048.90	676,200.00	2.70%	24,400	3.61%
Kimberly Clark Corp Com	4,000.000	315,929.58	456,480.00	1 82%	14,720	3.22%
Newell Brands Inc Com	13,576.000	335,878.87	606,168.40	2.42%	10,317	1.70%
Pepsico Inc	5,000.000	371,723.85	523,150.00	2.09%	15,050	2.88%
Under Armour Inc Cl A	8,500.000	372,431.15	246,925.00	0.98%	0	0.00%
Total Consumer Staples		**$ 1,729,012.35**	**$ 2,508,923.40**	**10.01%**	**$ 64,487**	**2.57%**
Energy						
Conocophillips Com	6,000.000	340,266.20	300,840.00	1.20%	6,000	1.99%
Halliburton Co Com	10,000.000	316,196.30	540,900.00	2.16%	7,200	1.33%
Kinder Morgan Inc Del Com	8,906.000	369,910.41	184,443.26	0.74%	4,453	2.41%
Total Energy		**$ 1,026,372.91**	**$ 1,026,183.26**	**4.09%**	**$ 17,653**	**1.72%**
Financial						
Berkshire Hathaway Inc Del Cl B New	3,000.000	408,347.76	488,940.00	1.95%	0	0.00%
Goldman Sachs Group Inc Com	3,000.000	429,516.50	718,350.00	2.87%	7,800	1.09%
JP Morgan Chase & Co	8,000.000	300,925.85	690,320.00	2.75%	15,360	2.23%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Spdr Financial Select Sector Fund	18,000.000	255,376.71	418,500.00	1.67%	8,370	2.00%
Visa Inc Com Cl A	6,000.000	277,305.55	468,120.00	1.87%	3,960	0.85%
Total Financial		**$ 1,671,472.37**	**$ 2,784,230.00**	**11.11%**	**$ 35,490**	**1.27%**
Health Care						
Bristol-Myers Squibb Co	10,000.000	402,368.15	584,400.00	2.33%	15,600	2.67%
Celgene Corp Com	3,000.000	341,271.85	347,250.00	1.39%	0	0.00%
Express Scripts Hldg Co	5,400.000	318,529.12	371,466.00	1.48%	0	0.00%
Thermo Fisher Scientific Inc Com	3,500.000	298,897.40	493,850.00	1.97%	2,100	0.43%
Walgreens Boots Alliance Inc Com	4,000.000	324,828.95	331,040.00	1.32%	6,000	1.81%
Total Health Care		**$ 1,685,895.47**	**$ 2,128,006.00**	**8.49%**	**$ 23,700**	**1.11%**
Industrial						
Advansix Inc Com	200.000	3,037.45	4,428.00	0.02%	0	0.00%
Cummins Inc	2,600.000	341,307 31	355,342.00	1.42%	10,660	3.00%
Gatx Corp Equity Linked Note 05/30/2066	4,000.000	101,884.95	93,040.00	0.37%	6,064	6.52%
Honeywell International Inc	5,000.000	570,716.50	579,250.00	2.31%	13,300	2.30%
Lockheed Martin Corp Com	2,000.000	381,289.75	499,880.00	1.99%	14,560	2.91%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Raytheon Co Com New	5,500.000	321,405 05	781,000.00	3.12%	16,115	2.06%
Total Industrial		**$ 1,719,641.01**	**$ 2,312,940.00**	**9.23%**	**$ 60,699**	**2.62%**
Materials						
Lyondellbasell Inds Fclass A	4,000.000	412,848.55	343,120.00	1.37%	13,600	3.96%
Cheniere Energy Partners LP Com Unit	10,000.000	287,375.95	288,200.00	1.15%	17,000	5.90%
Total Materials		**$ 700,224.50**	**$ 631,320.00**	**2.52%**	**$ 30,600**	**4.85%**
Information Technology						
Nxp Semiconductors N V	3,000.000	267,437.05	294,030.00	1.17%	0	0.00%
Broadcom LTD Shs	3,064.000	322,054.38	541,623.28	2.16%	12,501	2.31%
Alphabet Inc Class C	501.000	162,688.29	386,681.82	1.54%	0	0.00%
Alphabet Inc Cap Stk Cl A	1,500.000	879,676.11	1,188,675.00	4.74%	0	0.00%
Apple Inc Com	6,000.000	561,360.95	694,920.00	2.77%	13,680	1.97%
Dell Technologies Inc Com Cl V	1,393.000	65,749.60	76,573.21	0.31%	0	0.00%
Intel Corp	16,000.000	398,298.85	580,320.00	2.31%	16,640	2.87%
Salesforce Com Inc Com	8,000.000	293,447.48	547,680.00	2.18%	0	0.00%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Total Information Technology		**$ 2,950,712.71**	**$ 4,310,503.31**	**17.19%**	**$ 42,821**	**0.99%**
Telecommunication Services						
Verizon Communications Inc	6,500 000	315,190.66	346,970.00	1.38%	15,015	4.33%
Total Telecommunication Services		**$ 315,190.66**	**$ 346,970.00**	**1.38%**	**$ 15,015**	**4.33%**
Utility						
Scana Corp	7,000.000	338,789.48	512,960.00	2.05%	16,100	3.14%
Total Utility		**$ 338,789.48**	**$ 512,960.00**	**2.05%**	**$ 16,100**	**3.14%**
Exchange Traded Funds - Stock						
Ishares Tr High Yld Corp Bnd	4,500.000	412,131.23	389,475.00	1.55%	20,524	5.27%
Powershares Etf Tr II Build Amercan Bond Etf	10,000.000	302,954.95	290,900.00	1.16%	12,410	4.27%
Sector Spdr Materials Fdshares of Beneficial Int	8,000.000	305,579.90	397,600.00	1.59%	7,752	1.95%
Select Sector Spdr Tr Real Rl Est Sel Sec	2,504.000	79,984.04	76,998.00	0.31%	3,250	4.22%
Total Exchange Traded Funds - Stock		**$ 1,100,650.12**	**$ 1,154,973.00**	**4.61%**	**$ 43,936**	**3.80%**
Convertible Preferred Stock						
Entergy Miss Inc 1m Bd 66 4.9%010/01/2066 Pfd Callable	4,000.000	99,482.55	84,520.00	0.34%	4,900	5.80%

Francis & Louise Nichols Foundation
December 1, 2016 - December 31, 2016

Account Number: 43-0007-01-3

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Jpmorgan Chase & Co 5.45% Perpetual Pfd Callable	4,000.000	100,328.55	98,600 00	0.39%	5,448	5.53%
Sce Tr II 5.1% Perpetual Pfd Callable	4,000.000	99,608.95	88,640.00	0.35%	5,100	5.75%
Wells Fargo & Co New DEP1/1000pf Cl A 5.125% Perpetual Pfd Callable	4,000.000	101,122.95	92,000.00	0.37%	5,124	5.57%
Total Convertible Preferred Stock		**$ 400,543.00**	**$ 363,760.00**	**1.45%**	**$ 20,572**	**5.66%**
Non-Convertible Preferred Stock						
Entergy Arkansas Inc 4.875% 09/01/2066 Pfd Callable	4,000.000	99,920.15	84,680.00	0.34%	4,876	5.76%
Gabelli Divd & Income Tr 5.25% Perpetual Pfd Callable	4,000.000	102,123.75	93,920.00	0.37%	5,252	5.59%
State Str Corp 5.25% Perpetual Pfd Callable	4,000.000	95,418.95	93,520.00	0.37%	5,248	5.61%
Total Non-Convertible Preferred Stock		**$ 297,462.85**	**$ 272,120.00**	**1.09%**	**$ 15,376**	**5.65%**
Total Equity		***$ 14,533,576.68***	***$ 19,099,908.97***	***76.18%***	***$ 403,489***	***2.11%***
Total Assets		**$ 20,508,461.98**	**$ 25,070,978.43**	**100.00%**	**$ 530,397**	**2.12%**

Francis & Louise Nichols Legacy Fund
December 1, 2016 - December 31, 2016

Account Number: 43-0019-01-8

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Cash and Equivalent						
Income Cash	0.000	400.00	400.00	0.00%	0	0.00%
Federated Government Obligation Fund SS Fund #395	292,550.670	292,550.67	292,550.67	3.20%	386	0.13%
Total Cash and Equivalent		***$ 292,950.67***	***$ 292,950.67***	***3.20%***	***$ 386***	***0.13%***
Equity						
Energy						
Exxon Mobil Corporation	16,320.000	4,378.35	1,473,043.20	16.11%	48,960	3.32%
Total Energy		**$ 4,378.35**	**$ 1,473,043.20**	**16.11%**	**$ 48,960**	**3.32%**
Health Care						
Johnson & Johnson	11,640.000	113,671.88	1,341,044.40	14.67%	37,248	2.78%
Total Health Care		**$ 113,671.88**	**$ 1,341,044.40**	**14.67%**	**$ 37,248**	**2.78%**
Industrial						
Advansix Inc Com	557 760	215 58	12,348.81	0.14%	0	0.00%
General Elec Co Com	50,568.000	56,282.16	1,597,948.80	17.48%	48,545	3.04%
Honeywell International Inc	13,944.000	40,505.98	1,615,412.40	17.67%	37,091	2.30%
Total Industrial		**$ 97,003.72**	**$ 3,225,710.01**	**35.28%**	**$ 85,636**	**2.65%**
Materials						

Francis & Louise Nichols Legacy Fund
December 1, 2016 - December 31, 2016

Account Number: 43-0019-01-8

List of Assets

Description	*Shares*	*Cost*	*Market Value*	*Percent Of Total Market*	*Projected Annual Income*	*Current Yield*
Chemours Co Com	2,273.000	7,524.48	50,210.57	0.55%	272	0.54%
Du Pont E I De Nemours & Co Com	11,367.000	147,103.29	834,337.80	9.13%	17,277	2.07%
Total Materials		**$ 154,627.77**	**$ 884,548.37**	**9.67%**	**$ 17,549**	**1.98%**
Information Technology						
International Business Mach Corp Com	11,600.000	2,676.64	1,925,484.00	21.06%	64,960	3.37%
Total Information Technology		**$ 2,676.64**	**$ 1,925,484.00**	**21.06%**	**$ 64,960**	**3.37%**
Total Equity		***$ 372,358.36***	***$ 8,849,829.98***	***96.80%***	***$ 254,353***	***2.87%***
Total Assets		**$ 665,309.03**	**$ 9,142,780.65**	**100.00%**	**$ 254,739**	**2.79%**

Purchase Activity

Date	*Description*	*Unit Price*	*Broker Commission*	*Other Costs*	*Cash*
Cash and Equivalent					
Federated Government Obligation					
12/31/16	Purchases (6) 12/01/16 to 12/31/16	1.000	0.00	0.00	-51,458.35
Total Cash and Equivalent					***$ -51,458.35***
Total Purchases					**$ -51,458.35**

Francis & Louise Nichols Legacy Fund
December 1, 2016 - December 31, 2016

Account Number: 43-0019-01-8

Sale Activity

Date	Description	Unit Price	Transaction Costs	Cash	Total Cost	Realized Gain/Loss
Cash and Equivalent						
Federated Government Obligation						
12/31/16	Sales (1) 12/01/16 to 12/31/16	1.000	0.00	8,493.33	-8,493.33	0.00
Total Cash and Equivalent				***$ 8,493.33***	***$ -8,493.33***	***$ 0.00***
Total Sales				**$ 8,493.33**	**$ -8,493.33**	**$ 0.00**

Earnings Activity

Date	Description	Income Cash	Principal Cash
Dividends			
Chemours Co Com			
12/16/16	Div .030 Per Sh on 2,273 Shs	68.19	0.00
Du Pont E I De Nemours & Co Com			
12/15/16	Div .380 Per Sh on 11,367 Shs	4,319.46	0.00
Exxon Mobil Corporation			
12/12/16	Div .750 Per Sh on 16,320 Shs	12,240.00	0.00