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 , and ending

Name of foundation
ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC

A Employer identification number
13-7231616

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
201 SOUTH PHILLIPS AVENUE, STE 133

B Telephone number
605-271-5154

City or town, state or province, country, and ZIP or foreign postal code
SIOUX FALLS, SD 57104

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)* ▶$ 695,099,259.

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).) | (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 | 683,961,305. | | N/A | |
| 2 Check ▶ ☐ if the foundation is not required to attach Sch. B | | | | |
| 3 Interest on savings and temporary cash investments | | | | |
| 4 Dividends and interest from securities | 384,875. | 147,820. | | STATEMENT 1 |
| 5a Gross rents | 5,753,646. | 5,753,646. | | STATEMENT 2 |
| b Net rental income or (loss) 5,753,646. | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | 3,358. | | | |
| b Gross sales price for all assets on line 6a 21,198,839. | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 3,358. | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications | | | | |
| 10a Gross sales less returns and allowances | | | | |
| b Less: Cost of goods sold | | | | |
| c Gross profit or (loss) | | | | |
| 11 Other income | 2,624,161. | 59,506. | | STATEMENT 3 |
| 12 **Total.** Add lines 1 through 11 | 692,727,345. | 5,964,330. | | |
| **Operating and Administrative Expenses** | | | | |
| 13 Compensation of officers, directors, trustees, etc | 52,000. | 13,000. | | 33,800. |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees | | | | |
| b Accounting fees STMT 4 | 9,916. | 3,966. | | 992. |
| c Other professional fees STMT 5 | 10,968. | 0. | | 10,968. |
| 17 Interest | | | | |
| 18 Taxes STMT 6 | 1,490,000. | 0. | | 0. |
| 19 Depreciation and depletion | 3,965,442. | 1,198,837. | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | | | | |
| 23 Other expenses STMT 7 | 20,723. | 2,658. | | 7,188. |
| 24 **Total operating and administrative expenses.** Add lines 13 through 23 | 5,549,049. | 1,218,461. | | 52,948. |
| 25 Contributions, gifts, grants paid | 468,318. | | | 468,318. |
| 26 **Total expenses and disbursements.** Add lines 24 and 25 | 6,017,367. | 1,218,461. | | 521,266. |
| 27 Subtract line 26 from line 12: | | | | |
| a Excess of revenue over expenses and disbursements | 686,709,978. | | | |
| b **Net investment income** (if negative, enter -0-) | | 4,745,869. | | |
| c **Adjusted net income** (if negative, enter -0-) | | | N/A | |

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Form **990-PF** (2016)



9-35

## Part II Balance Sheets

| | Attached schedules and amounts in the description column should be for end-of-year amounts only | Beginning of year (a) Book Value | End of year (b) Book Value | (c) Fair Market Value |
|---|---|---|---|---|
| Assets | 1 Cash - non-interest-bearing | 1,464,427. | 438,135. | 438,135. |
| | 2 Savings and temporary cash investments | 2,097,000. | 4,735,000. | 4,736,315. |
| | 3 Accounts receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments - U.S. and state government obligations STMT 9 | 0. | 71,300,182. | 71,051,781. |
| | b Investments - corporate stock | | | |
| | c Investments - corporate bonds STMT 10 | 0. | 867,239. | 881,712. |
| | 11 Investments - land, buildings, and equipment basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 12 Investments - mortgage loans | | | |
| | 13 Investments - other STMT 11 | 0. | 612,930,849. | 617,991,316. |
| | 14 Land, buildings, and equipment: basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 15 Other assets (describe ▶ ) | | | |
| | 16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I) | 3,561,427. | 690,271,405. | 695,099,259. |
| Liabilities | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 Mortgages and other notes payable | | | |
| | 22 Other liabilities (describe ▶ ) | | | |
| | 23 **Total liabilities** (add lines 17 through 22) | 0. | 0. | |
| Net Assets or Fund Balances | **Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31** | | | |
| | 27 Capital stock, trust principal, or current funds | 3,561,427. | 690,271,405. | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | 0. | 0. | |
| | 30 **Total net assets or fund balances** | 3,561,427. | 690,271,405. | |
| | 31 **Total liabilities and net assets/fund balances** | 3,561,427. | 690,271,405. | |

## Part III Analysis of Changes in Net Assets or Fund Balances

| | | |
|---|---|---|
| 1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 3,561,427. |
| 2 Enter amount from Part I, line 27a | 2 | 686,709,978. |
| 3 Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 Add lines 1, 2, and 3 | 4 | 690,271,405. |
| 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 | 690,271,405. |

## Part IV Capital Gains and Losses for Tax on Investment Income

| | (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|---|---|---|---|---|
| 1a | | | | |
| b | SEE ATTACHED STATEMENTS | | | |
| 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 | 21,198,839. | | 21,195,481. | 3,358. |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|---|---|---|---|
| | (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | 3,358. |

| | | | |
|---|---|---|---|
| 2 Capital gain net income or (net capital loss) | If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7 | 2 | 3,358. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter -0- in Part I, line 8 | | 3 | N/A |

## Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

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

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

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

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

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col. (b) divided by col. (c)) |
|---|---|---|---|
| 2015 | 9,540. | 3,513,250. | .002715 |
| 2014 | 227,612. | 3,721,206. | .061166 |
| 2013 | 2,304. | 3,580,654. | .000643 |
| 2012 | 3,200. | 1,826,271. | .001752 |
| 2011 | 77,720. | 1,872,496. | .041506 |

| | | |
|---|---|---|
| 2 **Total** of line 1, column (d) | 2 | .107782 |
| 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 | .021556 |
| 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 | 4 | 241,944,852. |
| 5 Multiply line 4 by line 3 | 5 | 5,215,363. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 47,459. |
| 7 Add lines 5 and 6 | 7 | 5,262,822. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 521,266. |

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 Investme[redacted] Income (Section 4940(a), 4940(b), 4940([redacted] 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 | 94,917. |
| **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 | 94,917. |
| **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 | 94,917. |
| **6** Credits/Payments: | | | | |
| **a** 2016 estimated tax payments and 2015 overpayment credited to 2016 | 6a | 15,402. | | |
| **b** Exempt foreign organizations - tax withheld at source | 6b | | | |
| **c** Tax paid with application for extension of time to file (Form 8868) | 6c | 110,000. | | |
| **d** Backup withholding erroneously withheld | 6d | | | |
| **7** Total credits and payments. Add lines 6a through 6d | | | 7 | 125,402. |
| **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 | 30,485. |
| **11** Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶ 30,485. **Refunded** ▶ | | | 11 | 0. |

**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 | | X |
| **b** Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? | 1b | | X |
| *If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities* | | | |
| **c** Did the foundation file **Form 1120-POL** for this year? | 1c | | X |
| **d** Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0. | | | |
| **e** Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0. | | | |
| **2** Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities* | 2 | | X |
| **3** Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* | 3 | X | |
| **4a** Did the foundation have unrelated business gross income of $1,000 or more during the year? | 4a | X | |
| **b** If "Yes," has it filed a tax return on **Form 990-T** for this year? | 4b | X | |
| **5** Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T* | 5 | | X |
| **6** Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | X | |
| **7** Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV* | 7 | X | |
| **8a** Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NONE | | | |
| **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* SEE STATEMENT 12 | 8b | | X |
| **9** Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV* | 9 | | X |
| **10** Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 13 | 10 | X | |

## Part VII-A Statements Regarding Activities *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | 11 | X | |
| 12 | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? | 13 | X | |

Website address ▶ HTTPS://MERTZFOUNDATION.ORG

14 The books are in care of ▶ DIANNE R. STADTFELD, SDTC LLC Telephone no. ▶ 605-271-5154
Located at ▶ 201 SOUTH PHILLIPS AVE, STE 133, SIOUX FALLS, SD ZIP+4 ▶ 57104

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

| | | | 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 | | X |
| | 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 | | X |
| | 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 | | X |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): | | | |
| a | At the end of tax year 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 ▶ ____, ____, ____, ____ | | | |
| b | Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A | 2b | | |
| c | If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☒ 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 | | X |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | X |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016? | 4b | | X |

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A — 5b

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

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

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

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

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

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

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

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

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|---|---|---|---|
| NANCY L CLOSE<br>4951 WINDSOR PARK<br>SARASOTA, FL 34235 | DIRECTION ADVISOR<br>20.00 | 0. | 0. | 0. |
| LAVENDER TRUST COMPANY INC<br>201 S. PHILLIPS AVE, SUITE 133<br>SIOUX FALLS, SD 57104 | TRUSTEE<br>10.00 | 0. | 0. | 52,000. |
| | | | | |
| | | | | |

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

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

**Total** number of other employees paid over $50,000 ▶ 0

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

**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

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

**Total** number of others receiving over $50,000 for professional services ▶ 0

**Part IX-A** **Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc. | Expenses |
|---|---|
| 1 THE FOUNDATION IS NOT INVOLVED IN ANY CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS EXEMPT UNDER IRS SEC 501(C)(3). | 0. |
| 2 | |
| 3 | |
| 4 | |

**Part IX-B** **Summary of Program-Related Investments**

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2. | Amount |
|---|---|
| 1 N/A | |
| 2 | |
| All other program-related investments. See instructions<br>3 | |
| **Total.** Add lines 1 through 3 ▶ | 0. |

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

| | | | |
|---|---|---|---|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 28,462,185. |
| b | Average of monthly cash balances | 1b | 2,727,496. |
| c | Fair market value of all other assets | 1c | 214,439,610. |
| d | **Total** (add lines 1a, b, and c) | 1d | 245,629,291. |
| 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 | 245,629,291. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 3,684,439. |
| 5 | **Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 241,944,852. |
| 6 | **Minimum investment return.** Enter 5% of line 5 | 6 | 12,097,243. |

## 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 | 12,097,243. |
| 2a | Tax on investment income for 2016 from Part VI, line 5 — 2a: 94,917. | | |
| b | Income tax for 2016 (This does not include the tax from Part VI.) — 2b: 710,396. | | |
| c | Add lines 2a and 2b | 2c | 805,313. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 11,291,930. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 11,291,930. |
| 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 | 11,291,930. |

## 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 | 521,266. |
| 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 | 521,266. |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b | 5 | 0. |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 521,266. |

**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 | | | | 11,291,930. |
| 2 Undistributed income, if any, as of the end of 2016 | | | | |
| a Enter amount for 2015 only | | | 0. | |
| b Total for prior years: ______ , ______ , ______ | | 0. | | |
| 3 Excess distributions carryover, if any, to 2016: | | | | |
| a From 2011 77,720. | | | | |
| b From 2012 3,200. | | | | |
| c From 2013 | | | | |
| d From 2014 41,576. | | | | |
| e From 2015 | | | | |
| f **Total** of lines 3a through e | 122,496. | | | |
| 4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 521,266. | | | | |
| a Applied to 2015, 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 2016 distributable amount | | | | 521,266. |
| e Remaining amount distributed out of corpus | 0. | | | |
| 5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).) | 122,496. | | | 122,496. |
| 6 **Enter the net total of each column as indicated below:** | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 0. | | | |
| 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 2015 Subtract line 4a from line 2a Taxable amount - see instr. | | | 0. | |
| f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017 | | | | 10,648,168. |
| 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 2011 not applied on line 5 or line 7 | 0. | | | |
| 9 **Excess distributions carryover to 2017** Subtract lines 7 and 8 from line 6a | 0. | | | |
| 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) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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 |
| 2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon: | | | | | |
| a "Assets" alternative test - enter. (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

**Part XV | Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)**

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2) )

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

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

c Any submission deadlines.

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

**Part XV Supplementary Information** (continued)

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

| Recipient: Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|---|---|---|
| a *Paid during the year* | | | | |
| HELEN KELLER SERVICES FOR THE BLIND<br>57 WILOUGHBY STREET<br>BROOKLYN, NY 11201 | NONE | PC | TO ASSIST DEAF-BLIND YOUTHS | 30,000. |
| HEROES TO HEROES FOUNDATION<br>96 LINWOOD PLAZA #305<br>FORT LEE, NJ 07024 | NONE | PC | TO PROVIDE SPIRITUAL HEALING AND PEER SUPPORT PROGRAMS FOR VETERANS | 75,000. |
| HOPE FOR NEW YORK<br>1166 AVE OF AMERICAS, SUITE 1610<br>NEW YORK, NY 10036 | NONE | PC | TO SERVE NEW YORK'S MOST MARGINALIZED RESIDENTS INCLUDING AT RISK YOUTH AND THE HOMELESS | 300,000. |
| LONG ISLAND ALZHEIMER'S FOUNDATION<br>5 CHANNEL DRIVE<br>PORT WASHINGTON, NY 11050 | NONE | PC | TO IMPROVE QUALIFY OF LIFE FOR INDIVIDUALS LIVING WITH ALZHEIMER'S DISEASE | 25,725. |
| YOU CAN THRIVE<br>535 WEST 23RD STREET, SUITE S8R<br>NEW YORK, NY 10011 | NONE | PC | TO PROMOTE LONG TERM WELLNESS FOR PEOPLE WITH CANCER | 25,000. |
| **Total** SEE CONTINUATION SHEET(S) | | | ▶ 3a | 468,318. |
| b *Approved for future payment* | | | | |
| NONE | | | | |
| | | | | |
| | | | | |
| **Total** | | | ▶ 3b | 0. |

## Part XVI-A Analysis of Income-Producing Activities

| Enter gross amounts unless otherwise indicated | Unrelated business income (a) Business code | (b) Amount | Excluded by section 512, 513, or 514 (c) Exclusion code | (d) Amount | (e) Related or exempt function income |
|---|---|---|---|---|---|
| 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 | | | 14 | 384,875. | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | 34 | 5,753,646. | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | 900099 | 2,563,585. | 18 | 60,576. | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | 3,358. | |
| 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) | | 2,563,585. | | 6,202,455. | 0. |

13 Total. Add line 12, columns (b), (d), and (e) 13 8,766,040.

(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). |
|---|---|
| | |

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

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

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

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

b If "Yes," complete the following schedule.

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

**Sign Here**

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

LAVENDER TRUST CO., INC.
BY X Nancy [illegible] X 11/13/17 ▶ PRESIDENT

Signature of officer or trustee | Date | Title

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

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|
| WARSHAW, HOWARD K | Howard Warshaw | 11/7/17 | | P00082352 |
| Firm's name ▶ MARKS PANETH LLP | | | Firm's EIN ▶ 11-3518842 | |
| Firm's address ▶ 685 THIRD AVENUE NEW YORK, NY 10017 | | | Phone no 212-503-8800 | |

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

# Schedule of Contributors

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

OMB No 1545-0047

**2016**

| Name of the organization | Employer identification number |
|---|---|
| ESTHER & HAROLD MERTZ FOUNDATION<br>C/O DIANNE R. STADTFELD SDTC LLC | 13-7231616 |

**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 | [X] 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**

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

**Special Rules**

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization
ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC

Employer identification number
13-7231616

**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 | THE LAVENDER TRUST<br>201 SOUTH PHILLIPS AVE, STE 133<br>SIOUX FALLS, SD 57104 | $ 682,804,927. | Person ☐<br>Payroll ☐<br>Noncash ☒<br>(Complete Part II for noncash contributions.) |
| 2 | THE LAVENDER TRUST<br>201 SOUTH PHILLIPS AVE, STE 133<br>SIOUX FALLS, SD 57104 | $ 1,156,378. | Person ☒<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |

Name of organization

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC

Employer identification number

13-7231616

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

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions) | (d) Date received |
|---|---|---|---|
| 1 | MUNICIPAL AND CORPORATE BONDS | $ 74,556,576. | VARIOUS |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions) | (d) Date received |
|---|---|---|---|
| 1 | 80.9267% INTEREST IN 2015 LAVENDER HOLDINGS LLC | $ 608,248,351. | 08/27/16 |

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

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

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

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

| Name of organization | Employer identification number |
|---|---|
| ESTHER & HAROLD MERTZ FOUNDATION<br>C/O DIANNE R. STADTFELD SDTC LLC | 13-7231616 |

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

Use duplicate copies of Part III if additional space is needed

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (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 |
|---|---|
| | |

**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 | 6,000,000 SH FHLB DISC NT | P | 09/30/16 | 12/27/16 |
| b | 233,000 SH DISCOVER | P | 05/28/15 | 12/05/16 |
| c | 640,000 SH AUSTIN ELEC-A BE 5500 | D | 10/06/14 | 11/15/16 |
| d | 380,000 SH BEAUMONT CALIF BE 3000 | D | 05/05/14 | 09/01/16 |
| e | 233,000 SH CAPITAL ONE BANK | P | 05/28/15 | 12/05/16 |
| f | 1,150,000 SH CHARLESTON FIN BE 5000 | D | 09/16/14 | 12/01/16 |
| g | 450,000 SH CHICAGO WTR BE 5000 | D | 08/13/14 | 12/01/16 |
| h | 1,280,000 SH CINCINNATI S/D BE 5000 | D | 05/27/14 | 12/01/16 |
| i | 400,000 SH CULLMAN ALA UT BE 3000 | D | 10/01/14 | 09/01/16 |
| j | 1,600,000 SH FAIRFAX CNTY V BE 4000 | D | 07/07/14 | 10/03/16 |
| k | 233,000 SH GOLDMAN SACHS | P | 05/28/15 | 12/05/16 |
| l | 1,020,000 SH HARRIS FCD-A BE 5000 | D | 08/21/14 | 10/03/16 |
| m | 720,000 SH HARTFORD CONN BE 5000 | D | 10/17/14 | 10/03/16 |
| n | 475,000 SH MI TRUNK LINE BE 5250 | D | 10/14/14 | 11/01/16 |
| o | 1,385,000 SH MONROE CNTY PA BE 3000 | D | 06/04/14 | 09/15/16 |

| | (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 | 5,999,839. | | 5,996,481. | 3,358. |
| b | 233,000. | | 233,000. | 0. |
| c | 640,000. | | 640,000. | 0. |
| d | 380,000. | | 380,000. | 0. |
| e | 233,000. | | 233,000. | 0. |
| f | 1,150,000. | | 1,150,000. | 0. |
| g | 450,000. | | 450,000. | 0. |
| h | 1,280,000. | | 1,280,000. | 0. |
| i | 400,000. | | 400,000. | 0. |
| j | 1,600,000. | | 1,600,000. | 0. |
| k | 233,000. | | 233,000. | 0. |
| l | 1,020,000. | | 1,020,000. | 0. |
| m | 720,000. | | 720,000. | 0. |
| n | 475,000. | | 475,000. | 0. |
| o | 1,385,000. | | 1,385,000. | 0. |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---|---|---|---|---|
| | (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | | 3,358. |
| b | | | | 0. |
| c | | | | 0. |
| d | | | | 0. |
| e | | | | 0. |
| f | | | | 0. |
| g | | | | 0. |
| h | | | | 0. |
| i | | | | 0. |
| j | | | | 0. |
| k | | | | 0. |
| l | | | | 0. |
| m | | | | 0. |
| n | | | | 0. |
| o | | | | 0. |

| | | | |
|---|---|---|---|
| 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). If (loss), enter "-0-" in Part I, line 8 | 3 | |

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**Part IV** Capital Gains and Losses for Tax on Investment Income

| | (a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co. | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|---|---|---|---|---|
| 1a | 395,000 SH MONTEREY FIN-A-BE 5000 | D | VARIOUS | 09/01/16 |
| b | 320,000 SH RALEIGH-DURHAM BE 3000 | D | 06/17/14 | 11/01/16 |
| c | 530,000 SH RIVIERA BEACH BE 2000 | D | 10/06/14 | 10/03/16 |
| d | 1,175,000 SH SALINE CNTY KA BE 3000 | D | 05/22/14 | 09/01/16 |
| e | 540,000 SH SNOHOMISH CNTY BE 5000 | D | 05/29/14 | 12/01/16 |
| f | 1,585,000 SH UTAH ST BRD RE BE 4000 | D | 10/06/14 | 11/01/16 |
| g | 355,000 SH WYANDOTTE CNTY BE 4000 | D | 06/12/14 | 09/01/16 |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| | (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|---|---|---|---|---|
| a | 395,000. | | 395,000. | 0. |
| b | 320,000. | | 320,000. | 0. |
| c | 530,000. | | 530,000. | 0. |
| d | 1,175,000. | | 1,175,000. | 0. |
| e | 640,000. | | 640,000. | 0. |
| f | 1,585,000. | | 1,585,000. | 0. |
| g | 355,000. | | 355,000. | 0. |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---|---|---|---|---|
| | (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | | 0. |
| b | | | | 0. |
| c | | | | 0. |
| d | | | | 0. |
| e | | | | 0. |
| f | | | | 0. |
| g | | | | 0. |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| | | | |
|---|---|---|---|
| 2 | Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 } | 2 | 3,358. |
| 3 | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 | 3 | N/A |

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04-01-16

**Part XV Supplementary Information**

**3 Grants and Contributions Paid During the Year (Continuation)**

| Recipient<br>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 |
|---|---|---|---|---|
| THE BANQUET<br>900 E 8TH ST<br>SIOUX FALLS, SD 57103 | NONE | PC | TO PROVIDE FOOD AND FELLOWSHIP TO THE COMMUNITY | 5,000. |
| FLOW THROUGH FROM PARTNERSHIP K-1<br>FROM 2015 LAVENDER HOLDINGS LLC<br>445 PARK AVENUE, 18TH FL<br>NEW YORK, NY 10022 | NONE | PC | FLOW THROUGH | 7,593. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total from continuation sheets | | | | 12,593. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---|---|---|---|---|---|
| 2015 LAVENDER HOLDINGS LLC | 137,073. | 0. | 137,073. | 137,073. | |
| 2015 LAVENDER HOLDINGS LLC | 402. | 0. | 402. | 402. | |
| 2015 LAVENDER HOLDINGS LLC | 140,252. | 0. | 140,252. | 0. | |
| MORGAN STANLEY | 9,893. | 0. | 9,893. | 9,893. | |
| MORGAN STANLEY | 452. | 0. | 452. | 452. | |
| MORGAN STANLEY - ACCRUED AT TIME OF RECEIPT OF BONDS | <730,991.> | 0. | <730,991.> | 0. | |
| MORGAN STANLEY - MUNICIPAL BOND INTEREST | <29,547.> | 0. | <29,547.> | 0. | |
| MORGAN STANLEY - MUNICIPAL BOND INTEREST PAID | 857,341. | 0. | 857,341. | 0. | |
| TO PART I, LINE 4 | 384,875. | 0. | 384,875. | 147,820. | |

FORM 990-PF RENTAL INCOME STATEMENT 2

| KIND AND LOCATION OF PROPERTY | ACTIVITY NUMBER | GROSS RENTAL INCOME |
|---|---|---|
| RENTAL INCOME FROM 2015 LAVENDER HOLDINGS LLC | 1 | 5,753,646. |
| TOTAL TO FORM 990-PF, PART I, LINE 5A | | 5,753,646. |

FORM 990-PF OTHER INCOME STATEMENT 3

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---|---|---|---|
| 2015 LAVENDER HOLDINGS LLC - ORDINARY INCOME | 2,616,676. | 53,091. | |
| 2015 LAVENDER HOLDINGS LLC - BOOK TO TAX DIFF | 1,070. | 0. | |
| 2015 LAVENDER HOLDINGS LLC - STCG | 5,900. | 5,900. | |

| | | | |
|---|---|---|---|
| 2015 LAVENDER HOLDINGS LLC - LTCG | 515. | 515. | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 2,624,161. | 59,506. | |

FORM 990-PF ACCOUNTING FEES STATEMENT 4

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| ACCOUNTING FEES | 9,916. | 3,966. | | 992. |
| TO FORM 990-PF, PG 1, LN 16B | 9,916. | 3,966. | | 992. |

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| PROFESSIONAL FEES | 10,968. | 0. | | 10,968. |
| TO FORM 990-PF, PG 1, LN 16C | 10,968. | 0. | | 10,968. |

FORM 990-PF TAXES STATEMENT 6

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| TAXES | 1,490,000. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 1,490,000. | 0. | | 0. |

FORM 990-PF — OTHER EXPENSES — STATEMENT 7

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| ADMIN EXPENSES | 10,636. | 2,658. | | 6,913. |
| WEBSITE DESIGN | 9,812. | 0. | | 0. |
| NONDEDUCTIBLE CONTRIBUTIONS | 275. | 0. | | 275. |
| TO FORM 990-PF, PG 1, LN 23 | 20,723. | 2,658. | | 7,188. |

FOOTNOTES — STATEMENT 8

FOOTNOTE TO 990 PF PART VII-A QUESTION 11 AND PART VII-B QUESTION 3

NAME AND ADDRESS OF CONTROLLED ENITTY
2015 LAVENDER HOLDINGS LLC
445 PARK AVE, 18TH FL
NEW YORK NY

EIN 81-2443775

THE CONTROLLED ENTITY IS NOT AN EXCESS BUSINESS HOLDING. 2015 LAVENDER HOLDINGS LLC IS A HOLDING COMPANY THAT EFFECTIVELY OWNS 100% OF THE INTERESTS IN COMMERCIAL OFFICE BUILDINGS WHOSE GROSS INCOME IS CONSIDERED DERIVED FROM PASSIVE SOURCES FOR PURPOSES OF DETERMINING EXCESS BUSINESS HOLDINGS. THE HOLDING COMPANY ALSO OWNS A 15% NON CONTROLLING INTEREST IN AN OPERATING COMPANY TAXED AS A PARTNERSHIP, RAW LAND, AND CONDUCTS MANAGEMENT ACTIVITIES SOLELY FOR THE COMMERCIAL OFFICE BUILDINGS THAT IT OWNS.

FOOTNOTE TO FORM 990 PF, PART VIII, LINE 1

NANCY CLOSE, THE DIRECTION ADVISOR, IS ALSO THE PRESIDENT AND CEO OF LAVENDER TRUST COMPANY INC. HOWEVER, SHE SERVES AS SUCH WITHOUT COMPENSATION.

## FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 9

| DESCRIPTION | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|---|
| MUNICIPAL BONDS (INCLUDING ACCRUED INTEREST) | | X | 58,804,814. | 58,556,031. |
| GOVERNMENT SECURITIES | X | | 12,495,368. | 12,495,750. |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 12,495,368. | 12,495,750. |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS | | | 58,804,814. | 58,556,031. |
| TOTAL TO FORM 990-PF, PART II, LINE 10A | | | 71,300,182. | 71,051,781. |

## FORM 990-PF CORPORATE BONDS STATEMENT 10

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| CORPORATE BONDS (INCLUDING ACCRUED INTEREST) | 867,239. | 881,712. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 867,239. | 881,712. |

## FORM 990-PF OTHER INVESTMENTS STATEMENT 11

| DESCRIPTION | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|
| INVESTMENT IN 2015 LAVENDER HOLDINGS LLC | COST | 612,930,849. | 617,991,316. |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | | 612,930,849. | 617,991,316. |

## FORM 990-PF EXPLANATION CONCERNING PART VII-A, LINE 8B STATEMENT 12

EXPLANATION

EXPLANATION FOR 990 PF - PART VII-A - QUESTION 8 A AND 8 B
THE CHARITABLE TRUST IS ORGANIZED UNDER THE LAWS OF SOUTH DAKOTA, WHICH DOES NOT REQUIRE SUCH FILINGS.
COPIES OF 990 PF ARE AVAILABLE AT CHARITABLE TRUST'S OFFICE IN SIOUX FALLS, SOUTH DAKOTA.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 13
PART VII-A, LINE 10

| NAME OF CONTRIBUTOR | ADDRESS |
|---|---|
| THE LAVENDER TRUST | 201 SOUTH PHILLIPS AVE STE 133<br>SIOUX FALLS, SD 57104 |

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

## MUNICIPAL BONDS

| Security Description | Trade Date | Face Value | Orig Unit Cost / Adj Unit Cost | Unit Price | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **ALLEGHENY CNTY PA ARPT AUTH ARPT REV-SER B** | 10/15/14 | 255,000 000 | $109.450 | $100 000 | $279,097.50 | | | | |
| Coupon Rate 5 000%; Matures 01/01/2017, CUSIP 01728LDJ8 | | | $100 000 | | $255,000 00 | $255,000.00 | $0.00 LT | | |
| | 10/15/14 | 250,000.000 | 109 450 | 100.000 | 273,625 00 | | | | |
| | | | 100.000 | | 250,000.00 | 250,000.00 | 0.00 LT | | |
| | **Total** | 505,000 000 | | | 552,722.50 | | | 12,625.00 | 2 50 |
| | | | | | 505,000 00 | **505,000.00** | | 12,625.00 | |

*Int Semi-Annually Jan/Jul 01, Federal Tax Exempt, Moody A2 S&P AA, Insurer AGMC FORMERLY FSA, Issued 10/03/07, Asset Class FI & Pref*

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

| Security Description | Trade Date | Face Value | Orig Unit Cost<br>Adj Unit Cost | Unit Price | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **CHICAGO ILL O HARE INTL ARPT REV SER-B** | 7/23/14 | 2,810,000 000 | 111 049 | 100 000 | 3,120,476 90 | | | | |
| Coupon Rate 5 250%, Matures 01/01/2017, CUSIP 167592P40 | | | 100.000 | | 2,810,000 00 | 2,810,000.00 | 0 00 LT | | |
| | 7/23/14 | 600,000 000 | 111 049 | 100 000 | 666,294.00 | | | | |
| | | | 100 000 | | 600,000 00 | 600,000 00 | 0 00 LT | | |
| | **Total** | 3,410,000 000 | | | 3,786,770 90 | | | 89,513 00 | 2.62 |
| | | | | | 3,410,000 00 | **3,410,000.00** | | 89,512 50 | |
| *Int Semi-Annually Jan/Jul 01, Federal Tax Exempt, Moody A2 S&P AA-, Insurer NATL PUBLIC FINANCE GU, Issued 12/22/05, Asset Class FI & Pref* | | | | | | | | | |
| **GEORGIA ST GENL OBLIG SER-A** | 10/6/14 | 1,000,000 000 | 110 062 | 100 000 | 1,100,620 00 | | | 25,000 00 | 2 50 |
| Coupon Rate 5 000%, Matures 01/01/2017, CUSIP 373384A97 | | | 100 000 | | 1,000,000 00 | **1,000,000.00** | 0 00 LT | 25,000 00 | |
| *Int Semi-Annually Jan/Jul 01, Federal Tax Exempt, Moody AAA S&P AAA, Issued 01/08/13, Asset Class FI & Pref* | | | | | | | | | |
| **UNIVERSITY AKRON OHIO GEN RCPT REV SER-A** | 6/18/14 | 500,000 000 | 106 484 | 100 000 | 532,420 00 | | | 8,250 00 | 1 65 |
| Coupon Rate 3 300%, Matures 01/01/2017, CUSIP 914023FV3 | | | 100 000 | | 500,000 00 | **500,000.00** | 0 00 LT | 8,250 00 | |
| *Int Semi-Annually Jan/Jul 01, Federal Tax Exempt, Escrowed to Maturity, Moody A1 S&P AA, Insurer AGMC FORMERLY FSA, Issued 02/29/08, Asset Class FI & Pref* | | | | | | | | | |
| **BEAUFORT CNTY S C SCH DIST IMPT REF SER-D** | 10/16/14 | 290,000 000 | 110 548 | 100 634 | 320,589 20 | | | 7,250 00 | 2 48 |
| Coupon Rate 5 000%, Matures 03/01/2017, CUSIP 073900ZD7 | | | 100 748 | | 292,169 18 | **291,838.60** | (330 58) LT | 4,833.33 | |
| *Int Semi-Annually Mar/Sep 01, Yield to Maturity 1 169%, Federal Tax Exempt, Moody AA1 S&P AA, Issued 12/22/11, Asset Class FI & Pref* | | | | | | | | | |
| **PENNSYLVANIA ST GENL OBLIG** | 8/21/14 | 1,300,000 000 | 111 547 | 100 641 | 1,450,111 00 | | | | |
| Coupon Rate 5.000%, Matures 03/01/2019, CUSIP 7091416H3 | | | 100 768 | | 1,309,990.18 | 1,308,333.00 | (1,657 18) LT | | |
| | 9/2/14 | 1,300,000 000 | 111.460 | 100 641 | 1,448,980.00 | | | | |
| | | | 100 770 | | 1,310,013 01 | 1,308,333 00 | (1,680 01) LT | | |
| | **Total** | 2,600,000 000 | | | 2,899,091 00 | | | 65,000 00 | 2 48 |
| | | | | | 2,620,003 19 | **2,616,666.00** | (3,337 19) LT | 43,333.32 | |
| *Int Semi-Annually Mar/Sep 01, Prerefund at 100 00 03/01/2017, Yield to Call 1 128%, Federal Tax Exempt, Moody AA3 S&P AA-, Issued 12/21/06, Asset Class FI & Pref* | | | | | | | | | |
| **MISSOURI ST HWYS & TRANS COMMN ST RD REV SECOND LIEN** | 8/6/14 | 2,225,000 000 | 112 942 | 101 408 | 2,512,959 50 | | | 58,406 00 | 2.58 |
| Coupon Rate 5 250%, Matures 05/01/2021, CUSIP 60636WKX2 | | | 101.593 | | 2,260,439 03 | **2,256,328.00** | (4,111.03) LT | 19,468 75 | |
| *Int Semi-Annually May/Nov 01, Prerefund at 100 00 05/01/2017, Yield to Call 1 003%, Federal Tax Exempt, Moody AA1 S&P AAA, Issued 09/12/07, Asset Class FI & Pref* | | | | | | | | | |
| **MISSOURI ST HWYS & TRANS COMMN ST RD REV SECOND LIEN** | 8/20/14 | 1,000,000 000 | 112 873 | 101 408 | 1,128,730 00 | | | 26,250.00 | 2 58 |
| Coupon Rate 5 250%, Matures 05/01/2023, CUSIP 60636WKZ7 | | | 101 606 | | 1,016,064 02 | **1,014,080.00** | (1,984 02) LT | 8,750.00 | |
| *Int Semi-Annually May/Nov 01, Prerefund at 100 00 05/01/2017, Yield to Call 1 003%, Federal Tax Exempt, Moody AA1 S&P AAA, Issued 09/12/07, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH CAROLINA INFRASTRUCTURE FIN CORP COPS REV-A** | 9/10/14 | 1,060,000.000 | 111 565 | 101 328 | 1,182,589.00 | | | 26,500 00 | 2.46 |
| **CAP IMPT** | | | 101.476 | | 1,075,642.36 | **1,074,076.80** | (1,565 56) LT | 8,833.33 | |
| Coupon Rate 5.000%, Matures 05/01/2026, CUSIP 65820QEQ2 | | | | | | | | | |
| *Int. Semi-Annually May/Nov 01; Prerefund at 100.00 05/01/2017; Yield to Call .995%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer AGMC FORMERLY FSA, Issued 10/03/07, Asset Class FI & Pref* | | | | | | | | | |
| **CONNECTICUT ST HEALTH & EDL FACS AUTH REV SER-I** | 10/28/15 | 500,000 000 | 107.382 | 101.966 | 536,911.00 | | | 25,000.00 | 4.90 |
| Coupon Rate 5 000%, Matures 07/01/2023, CUSIP 20774USP1 | | | 102.225 | | 511,125 49 | **509,830.00** | (1,295.49) LT | 12,500.00 | |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 07/01/2017, Yield to Call 1 047%, Federal Tax Exempt, Moody A3 S&P AA-, Insurer NATL PUBLIC FINANCE GU, Issued 12/20/07, Asset Class FI & Pref* | | | | | | | | | |

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN. 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

| Security Description | Trade Date | Face Value | Orig Unit Cost<br>Adj Unit Cost | Unit Price | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **GLENDALE ARIZ TRANSN EXCISE TAX REV** | 12/21/15 | 1,350,000 000 | 106 391 | 101 916 | 1,436,284 50 | | | 67,500 00 | 4 90 |
| Coupon Rate 5 000%, Matures 07/01/2017, CUSIP 378325AK0 | | | 102.111 | | 1,378,502.82 | **1,375,866.00** | (2,636 82) LT | 33,750.00 | |
| *Int Semi-Annually Jan/Jul 01, Yield to Maturity 1 146%, Federal Tax Exempt, Moody A2 S&P AA, Insurer NATL PUBLIC FINANCE GU, Issued 11/06/07, Asset Class FI & Pref* | | | | | | | | | |
| **METRO TRANSN AU N Y SVC CONTRA CT COMMUTER FACS-O** | 8/5/14 | 185,000 000 | 111 731 | 102.224 | 206,703 09 | | | 10,175 00 | 5 38 |
| **OID 6.019** | | | 102 056 | | 188,802 73 | **189,114.40** | 311 67 LT | 5,087.50 | |
| Coupon Rate 5 500%, Matures 07/01/2017, CUSIP 592597D21 | | | | | | | | | |
| *Int Semi-Annually Jan/Jul 01, Yield to Maturity 1 029%, Federal Tax Exempt, Escrowed to Maturity, Moody AA2 S&P AA+, Issued 03/15/93, Asset Class FI & Pref* | | | | | | | | | |
| **BAYONNE NJ GENL OBLIG SCH REF** | 7/24/14 | 1,180,000 000 | 108 617 | 101.363 | 1,281,680 60 | | | 47,200.00 | 3 94 |
| Coupon Rate 4 000%, Matures 07/15/2017, CUSIP 072887D90 | | | 101 608 | | 1,198,970 53 | **1,196,083.40** | (2,887 13) LT | 21,764 44 | |
| *Int Semi-Annually Jan/Jul 15, Yield to Maturity 1 451%, Federal Tax Exempt, Moody A2 S&P AA, Insurer ASSURED GUARANTY MUNIC, Issued 08/13/14, Asset Class FI & Pref* | | | | | | | | | |
| **LINWOOD N J** | 9/16/15 | 550,000 000 | 103 658 | 100 992 | 570,119 50 | | | 16,500 00 | 2 97 |
| Coupon Rate 3 000%, Matures 07/15/2017, CUSIP 536172MK2 | | | 101.091 | | 556,003 02 | **555,456.00** | (547 02) LT | 7,608.33 | |
| *Int Semi-Annually Jan/Jul 15, Yield to Maturity 1 148%, Federal Tax Exempt, Moody A1, Issued 02/07/12, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH EAST INDPT SCH DIST TEX PSF GTD** | 1/5/16 | 500,000 000 | 106 862 | 102 322 | 534,311 00 | | | 25,000 00 | 4 88 |
| Coupon Rate 5 000%, Matures 08/01/2022, CUSIP 6591546L7 | | | 102.566 | | 512,831 88 | **511,610.00** | (1,221 88) ST | 10,416.66 | |
| *Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2017, Yield to Call 996%, Federal Tax Exempt, Moody AAA S&P AAA, Issued 07/15/07, Asset Class FI & Pref* | | | | | | | | | |
| **SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SER-B** | 10/29/15 | 1,440,000.000 | 107.800 | 102 346 | 1,552,326.00 | | | 72,000 00 | 4.88 |
| Coupon Rate 5.000%, Matures 08/01/2035, CUSIP 797661SH9 | | | 102 615 | | 1,477,661 96 | **1,473,782.40** | (3,879.56) LT | 30,000 00 | |
| *Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2017, Yield to Call 956%, Federal Tax Exempt, Moody AAA S&P AAA, Issued 08/02/07, Asset Class FI & Pref* | | | | | | | | | |
| **NEW JERSEY ECONOMIC DEV AUTH REV** | 9/15/15 | 500,000 000 | 108 128 | 102 546 | 540,641 00 | | | 25,000 00 | 4 87 |
| Coupon Rate 5.000%, Matures 09/01/2025, CUSIP 645918HQ9 | | | 102 788 | | 513,940 41 | **512,730.00** | (1,210.41) LT | 8,333.33 | |
| *Int Semi-Annually Mar/Sep 01, Prerefund at 100 00 09/01/2017, Yield to Call 1 153%, Federal Tax Exempt, Moody A2 S&P AA, Insurer AGMC FORMERLY FSA, Issued 10/04/07, Asset Class FI & Pref* | | | | | | | | | |
| **CALIFORNIA ST VAR PURP GENL OBLIG** | 10/6/15 | 2,000,000 000 | 109 033 | 103.004 | 2,180,666 00 | | | 100,000.00 | 4 85 |
| Coupon Rate 5 000%, Matures 10/01/2017, CUSIP 13063BPQ9 | | | 103 434 | | 2,068,670 64 | **2,060,080.00** | (8,590.64) LT | 25,000.00 | |
| *Int Semi-Annually Apr/Oct 01, Yield to Maturity 968%, Federal Tax Exempt, Moody AA3 S&P AA-, Issued 10/27/11, Asset Class FI & Pref* | | | | | | | | | |
| **HARTFORD CONN GENL OBLIG SER-B** | 10/17/14 | 660,000 000 | 112 241 | 102 928 | 740,790 60 | | | 33,000 00 | 4 85 |
| Coupon Rate 5 000%, Matures 10/01/2017, CUSIP 416415FJ1 | | | 103.164 | | 680,879.42 | **679,324.80** | (1,554 62) LT | 8,250.00 | |
| *Int Semi-Annually Apr/Oct 01, Yield to Maturity 1 068%, Federal Tax Exempt, Escrowed to Maturity, Moody A2 S&P AA, Insurer ASSURED GUARANTY MUNIC, Issued 10/28/14, Asset Class FI & Pref* | | | | | | | | | |
| **SALES TAX ASSET RECEIVABLE CORP REV-A** | 9/15/15 | 1,250,000 000 | 109.222 | 103 185 | 1,365,281 00 | | | 62,500 00 | 4 84 |
| Coupon Rate 5.000%, Matures 10/15/2017, CUSIP 794665FW4 | | | 103 517 | | 1,293,965 69 | **1,289,812.50** | (4,153 19) LT | 13,194.44 | |
| *Int. Semi-Annually Apr/Oct 15; Yield to Maturity 937%, Federal Tax Exempt, Moody AA1 S&P AAA; Issued 10/15/14, Asset Class FI & Pref* | | | | | | | | | |
| **WASHINGTON ST HIGHER ED FACS AUTH REV** | 9/25/15 | 1,150,000.000 | 109.481 | 103.453 | 1,259,026.00 | | | 60,375.00 | 5.07 |
| Coupon Rate 5.250%, Matures 11/01/2027; CUSIP 939781ZX1 | | | 103.802 | | 1,193,721 77 | **1,189,709.50** | (4,012.27) LT | 10,062.50 | |
| *Int Semi-Annually May/Nov 01, Prerefund at 100 00 11/01/2017, Yield to Call 1 075%, Federal Tax Exempt, S&P A, Insurer AMBAC, Issued 07/25/07, Asset Class FI & Pref* | | | | | | | | | |
| **KING CNTY WA SCH DIST NO 401 HIGHLINE** | 10/2/15 | 1,000,000 000 | 109 478 | 103 605 | 1,094,776.00 | | | 50,000 00 | 4 82 |
| Coupon Rate 5 000%, Matures 12/01/2023, CUSIP 495033AH5 | | | 104.049 | | 1,040,489.83 | **1,036,050.00** | (4,439.83) LT | 4,166.66 | |
| *Int Semi-Annually Jun/Dec 01, Prerefund at 100 00 12/01/2017, Yield to Call 1 037%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer AGMC FORMERLY FSA, Issued 11/28/07, Asset Class. FI & Pref* | | | | | | | | | |

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

| Security Description | Trade Date | Face Value | Orig Unit Cost<br>Adj Unit Cost | Unit Price | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY REV-B**<br>Coupon Rate 5 500%, Matures 01/01/2033, CUSIP 452252FD6 | 12/29/15 | 625,000 000 | 109 227<br>104 652 | 104 397 | 682,668.50<br>654,072 11 | **652,481.25** | (1,590.86) LT | 34,375 00<br>17,187 50 | 5 26 |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 068%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer SECONDARY BERKSHIRE HA, Issued 11/18/08, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH CAROLINA EASTN MUN PWR AGY PWR SYS REV SER-A**<br>Coupon Rate 5 000%, Matures 01/01/2024, CUSIP 658196U57 | 10/6/15 | 500,000 000 | 109.601<br>104 327 | 103 855 | 548,006.00<br>521,633.04 | **519,275.00** | (2,358 04) LT | 25,000.00<br>12,500 00 | 4 81 |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 113%, Federal Tax Exempt, Moody A3 S&P AA, Insurer SECONDARY ASSURED GUAR, Issued 05/20/08, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH TEX TWY AUTH FIRST TIER REF REV-A**<br>Coupon Rate 5.625%, Matures 01/01/2033, CUSIP 66285WPS9 | 10/15/15 | 535,000 000 | 110 622<br>104.855 | 104 418 | 591,828 35<br>560,975 92 | **558,636.30** | (2,339.62) LT | 30,094 00<br>15,046 87 | 5 38 |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 168%, Federal Tax Exempt, Moody A1, Issued 04/03/08, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH TEX TWY AUTH FIRST TIER REV REF-A**<br>Coupon Rate 5 750%, Matures 01/01/2048, CUSIP 66285WRC2 | 1/5/16 | 1,000,000 000 | 109.707<br>104 920 | 104 540 | 1,097,074 70<br>1,049,204 80 | **1,045,400.00** | (3,804 80) ST | 57,500 00<br>28,750 00 | 5 50 |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 170%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer SECONDARY BERKSHIRE HA, Issued 04/03/08, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH TEX TWY AUTH REV REF SER-F**<br>Coupon Rate 5 750%, Matures 01/01/2033, CUSIP 66285WDW3 | 9/25/15 | 500,000 000 | 111 302<br>105 038 | 104 540 | 556,511.00<br>525,190.29 | **522,700.00** | (2,490 29) LT | 28,750.00<br>14,375.00 | 5 50 |
| *Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 170%, Federal Tax Exempt, Moody A2 S&P A-, Issued 07/30/08, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH TEX TWY AUTH REV TOLL 2ND TIER REF SER-F**<br>Coupon Rate 5 750%, Matures 01/01/2038, CUSIP 66285WDX1 | 1/14/16 | 700,000 000 | 109 530<br>104 913 | 104 540 | 766,709 00<br>734,387 66 | **731,780.00** | (2,607 66) ST | 40,250 00<br>20,125 00 | 5 50 |
| *Int. Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 1 170%, Federal Tax Exempt, Moody A2 S&P A-, Issued 07/30/08, Asset Class FI & Pref* | | | | | | | | | |
| **OKLAHOMA TRANSN AUTH OK F/K/A OKLAHOMA ST TPK AUTH REV REF-A**<br>Coupon Rate 4 000%, Matures 01/01/2018, CUSIP 679111SM7 | 1/5/16 | 500,000 000 | 103 470<br>100 000 | 100 223 | 517,351.00<br>500,000 00 | **501,115.00** | 1,115 00 ST | 20,000.00<br>10,000 00 | 3 99 |
| *Int Semi-Annually Jan/Jul 01, Callable $100 00 on 01/30/17, Yield to Call 1 209%, Federal Tax Exempt, Moody AA3 S&P AA, Insurer AGMC FORMERLY FSA, Issued 06/06/07, Asset Class FI & Pref* | | | | | | | | | |
| **NEW YORK ST TWY AUTH STATE PER SONAL INCOME TAX REV TRANS-A**<br>Coupon Rate 5 000%, Matures 03/15/2018, CUSIP 650028RA3 | 9/18/15 | 550,000.000 | 110.664<br>105 209 | 104.626 | 608,652.50<br>578,650 69 | **575,443.00** | (3,207.69) LT | 27,500.00<br>8,097 22 | 4.77 |
| *Int Semi-Annually Mar/Sep 15, Yield to Maturity 1 125%, Federal Tax Exempt, Moody AA1 S&P AAA, Issued 06/16/09, Asset Class FI & Pref* | | | | | | | | | |
| **LAKE JACKSON TEX WTRWKS & SWR REV**<br>Coupon Rate 4 000%, Matures 04/15/2018, CUSIP 510066NH2 | 11/23/15 | 715,000 000 | 107.298<br>103 965 | 103 510 | 767,179.55<br>743,348.36 | **740,096.50** | (3,251 86) LT | 28,600.00<br>6,037.77 | 3.86 |
| *Int Semi-Annually Apr/Oct 15, Yield to Maturity 1 245%, Federal Tax Exempt, S&P AA-, Issued 05/15/10, Asset Class FI & Pref* | | | | | | | | | |
| **CALIFORNIA ST DEPT WTR RES PWR SUPPLY REV-H**<br>Coupon Rate 5.000%, Matures 05/01/2022, CUSIP 13066YTC3 | 11/23/15 | 1,055,000.000 | 110.328<br>105 693 | 105.158 | 1,163,955.85<br>1,115,056.60 | **1,109,416.90** | (5,639.70) LT | 52,750.00<br>8,791 66 | 4.75 |
| *Int. Semi-Annually May/Nov 01, Prerefund at 100.00 05/01/2018, Yield to Call 1.092%; Federal Tax Exempt; Moody AA1 S&P AA, Insurer AGMC FORMERLY FSA; Issued 03/20/08; Asset Class. FI & Pref* | | | | | | | | | |
| **NEW YORK CITY TRANS FIN AUTH F UTURE TAX SECD REV-F SUBSER F1**<br>Coupon Rate 5.000%, Matures 05/01/2024, CUSIP 64971QUK7 | 10/28/15 | 500,000 000 | 110 466<br>105.612 | 105.063 | 552,331.00<br>528,059.90 | **525,315.00** | (2,744.90) LT | 25,000.00<br>4,166 66 | 4.75 |
| *Int. Semi-Annually May/Nov 01, Prerefund at 100 00 05/01/2018, Yield to Call 1 161%, Federal Tax Exempt, Moody AA1 S&P AAA, Issued 06/19/12, Asset Class FI & Pref* | | | | | | | | | |

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

| Security Description | Trade Date | Face Value | Orig Unit Cost<br>Adj Unit Cost | Unit Price | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **ROCKINGHAM CNTY N H** | 1/12/16 | 760,000 000 | 107 392 | 103 851 | 816,177 60 | | | 30,400 00 | 3 85 |
| Coupon Rate 4.000%, Matures 05/15/2018, CUSIP 773420KW3 | | | 104 363 | | 793,156.27 | **789,267.60** | (3,888 67) ST | 3,884 44 | |
| *Int Semi-Annually May/Nov 15, Yield to Maturity 1 162%, Federal Tax Exempt, Moody AA1, Issued 07/17/13, Asset Class FI & Pref* | | | | | | | | | |
| **PENNSYLVANIA ST TPK COMMN TPK REV SER-B-1** | 3/9/16 | 600,000.000 | 110.567 | 106 177 | 663,402 00 | | | 33,750.00 | 5 29 |
| Coupon Rate 5 625%, Matures 06/01/2030, CUSIP 709223TX9 | | | 106 782 | | 640,691 59 | **637,062.00** | (3,629 59) ST | 2,812 49 | |
| *Int Semi-Annually Jun/Dec 01, Prerefund at 100 00 06/01/2018, Yield to Call 1 213%, Federal Tax Exempt, Moody A3 S&P A-, Issued 07/30/08, Asset Class FI & Pref* | | | | | | | | | |
| **UINTAH CNTY UTAH MUN BLDG AUTH LEASE REV** | 1/5/16 | 815,000 000 | 111 134 | 105 858 | 905,739 95 | | | 44,825.00 | 5.19 |
| Coupon Rate 5.500%, Matures 06/01/2037, CUSIP 903623BM7 | | | 106 604 | | 868,825 21 | **862,742.70** | (6,082.51) ST | 3,735.41 | |
| *Int Semi-Annually Jun/Dec 01, Prerefund at 100 00 06/01/2018, Yield to Call 1 312%, Federal Tax Exempt, S&P A+, Issued 07/31/08, Asset Class FI & Pref* | | | | | | | | | |
| **NEW YORK CITY GENL OBLIG FISCAL SERIES-J** | 3/31/16 | 495,000 000 | 109 772 | 105 803 | 543,372 45 | | | 24,750 00 | 4 72 |
| Coupon Rate 5 000%, Matures 08/01/2018, CUSIP 64966KYR8 | | | 106 680 | | 528,066 36 | **523,724.85** | (4,341 51) ST | 10,312 50 | |
| *Int Semi-Annually Feb/Aug 01, Yield to Maturity 1 285%, Federal Tax Exempt, Moody AA2 S&P AA, Issued 06/11/13, Asset Class FI & Pref* | | | | | | | | | |
| **OREGON ST GENL OBLIG HIGHER ED-B OREGON UNIV SYS** | 10/29/15 | 500,000 000 | 111 621 | 105 868 | 558,106.00 | | | 25,000.00 | 4 72 |
| Coupon Rate 5 000%, Matures 08/01/2023, CUSIP 68608KTU2 | | | 106 731 | | 533,656 49 | **529,340.00** | (4,316 49) LT | 10,416 66 | |
| *Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2018, Yield to Call 1 245%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 03/18/09, Asset Class FI & Pref* | | | | | | | | | |
| **VIRGINIA ST PUB BLDG AUTH PUB FACS REV SER-B** | 9/28/15 | 2,045,000 000 | 112 625 | 106 256 | 2,303,187.25 | | | 107,363 00 | 4 94 |
| Coupon Rate 5 250%, Matures 08/01/2023, CUSIP 928172RF4 | | | 107 087 | | 2,189,924.23 | **2,172,935.20** | (16,989 03) LT | 44,734 37 | |
| *Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2018, Yield to Call 1 247%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 12/11/08, Asset Class FI & Pref* | | | | | | | | | |
| **MASON CNTY WASH PUB UTIL DIST NO 003 ELE** | 9/15/15 | 1,100,000.000 | 109 351 | 105.045 | 1,202,856.00 | | | 44,000 00 | 3 80 |
| Coupon Rate 4 000%, Matures 12/01/2018, CUSIP 575175HR8 | | | 105 631 | | 1,161,945 75 | **1,155,495.00** | (6,450 75) LT | 3,666 66 | |
| *Int Semi-Annually Jun/Dec 01, Yield to Maturity 1 325%, Federal Tax Exempt, Moody AA3 S&P A+, Issued 11/15/12, Asset Class FI & Pref* | | | | | | | | | |
| **BUFFALO N Y** | 2/5/16 | 500,000 000 | 113 055 | 107 744 | 565,276.00 | | | 25,000 00 | 4 64 |
| Coupon Rate 5 000%, Matures 04/01/2019, CUSIP 119677LP5 | | | 109.341 | | 546,703 75 | **538,720.00** | (7,983 75) ST | 6,250.00 | |
| *Int Semi-Annually Apr/Oct 01, Yield to Maturity 1 487%, Federal Tax Exempt, Moody A1 S&P A+, Issued 04/29/14, Asset Class FI & Pref* | | | | | | | | | |
| **CONNECTICUT ST GENL OBLIG SER-A SIFMA INDEX BONDS** | 3/28/16 | 1,000,000 000 | 101 001 | 100 824 | 1,010,006 00 | | | 11,200.00 | 1 11 |
| Coupon Rate 1 120%; Matures 04/15/2019, CUSIP 20772JEU2 | | | 100 757 | | 1,007,569 33 | **1,008,240.00** | 670 67 ST | 902 90 | |
| *Interest Paid Monthly Mar 01, Yield to Maturity 756%, Floater, Federal Tax Exempt, Moody AA3 S&P AA-, Issued 04/26/12, Asset Class FI & Pref* | | | | | | | | | |
| **NEW YORK NY CITY HSG DEV CORP MULTIFAMILY HSG REV-D-1** | 10/20/15 | 2,650,000.000 | 100 942 | 100 047 | 2,674,969.00 | | | 43,725.00 | 1 64 |
| Coupon Rate 1 650%, Matures 05/01/2019, CUSIP 64972CLU5 | | | 100 246 | | 2,656,517 82 | **2,651,245.50** | (5,272 32) LT | 7,287.50 | |
| *Int Semi-Annually May/Nov 01; Callable $100 00 on 06/01/17, Yield to Call 1 534%, Federal Tax Exempt, Moody AA2 S&P AA+, Issued 06/25/15, Asset Class FI & Pref* | | | | | | | | | |
| **MASSACHUSETTS WTR RESOURCES AUTH GENL REV REF SER-B** | 5/16/16 | 1,000,000 000 | 113 357 | 108.983 | 1,133,566.00 | | | 50,000.00 | 4 58 |
| Coupon Rate 5 000%; Matures 08/01/2034; CUSIP 5760497X2 | | | 110.807 | | 1,108,067.41 | **1,089,830.00** | (18,237.41) ST | 20,833.33 | |
| *Int. Semi-Annually Feb/Aug 01; Prerefund at 100.00 08/01/2019; Yield to Call 1.444%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 02/19/09, Asset Class FI & Pref* | | | | | | | | | |
| **CONNECTICUT ST HEALTH & EDL FACS AUTH R VARIABLE REV-A** | 10/13/15 | 3,000,000 000 | 101 530 | 99.664 | 3,045,906.00 | | | 41,250.00 | 1.37 |
| Coupon Rate 1.375%, Matures 07/01/2035, CUSIP 20774YWE3 | | | 100 859 | | 3,025,755 80 | **2,989,920.00** | (35,835 80) LT | 20,625 00 | |
| *Int. Semi-Annually Jan/Jul 01, Yield to Maturity 1 396%, Floater, Federal Tax Exempt, Moody AAA S&P AAA, Issued 07/01/15, Asset Class FI & Pref* | | | | | | | | | |

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EIN: 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

| Security Description | Trade Date | Face Value | Orig Unit Cost<br>Adj Unit Cost | Unit Price | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **ILLINOIS EDL FACS AUTH REV UNIV CHICAGO SER B-1** | 10/28/15 | 2,000,000 000 | 100 677 | 99 484 | 2,013,546 00 | | | 22,000 00 | 1 10 |
| **VARIABLE** | | | 100 643 | | 2,012,859.19 | **1,989,680.00** | (23,179 19) LT | 11,000 00 | |
| Coupon Rate 1.100%, Matures 07/01/2036, CUSIP 4520013L2 | | | | | | | | | |
| *Int Semi-Annually Jan/Jul 01, Yield to Maturity 1 130%, Callable Extraordinary, Floater, Federal Tax Exempt, Moody AA2 S&P AA-, Issued 10/04/01, Asset Class FI & Pref* | | | | | | | | | |
| **HOUSTON INDEPT SCH DIST VAR RATE LD TAX SER-B ID** | 6/1/16 | 1,000,000 000 | 100 674 | 98 910 | 1,006,736 00 | | | 13,750 00 | 1 39 |
| **02-01-13** | | | 100.548 | | 1,005,477 84 | **989,100.00** | (16,377.84) ST | 1,145 83 | |
| Coupon Rate 1 375%, Matures 06/01/2037, CUSIP 442403JN2 | | | | | | | | | |
| *Int Semi-Annually Jun/Dec 01, Yield to Maturity 1 437%, Floater, Federal Tax Exempt, Moody AAA S&P AAA, Issued 06/01/16, Asset Class FI & Pref* | | | | | | | | | |
| **NORTH TEXAS TOLLWAY AUTH SYS FIRST TIER VAR REV REF-C** | 7/18/16 | 2,300,000.000 | 100 000 | 100 343 | 2,300,006 00 | | | 32,200 00 | 1 39 |
| **SIFMA** | | | 100 000 | | 2,300,000 00 | **2,307,889.00** | 7,889.00 ST | 2,595.29 | |
| Coupon Rate 1 400%, Matures 01/01/2038, CUSIP 66285WLV6 | | | | | | | | | |
| *Interest Paid Monthly Jan 01, Callable $100 00 on 07/01/19, Yield to Call 1 260%, Floater, Federal Tax Exempt, Moody A1 S&P A, Issued 12/18/14, Asset Class FI & Pref* | | | | | | | | | |
| **MASSACHUSETTS DEV FIN AUTH VAR RATE WILLIAMS COLLEGE** | 9/18/15 | 500,000 000 | 100 001 | 99 995 | 500,006.00 | | | | |
| **REV-N** | | | 100 000 | | 500,000.00 | 499,975.00 | (25 00) LT | | |
| Coupon Rate 1 000%, Matures 07/01/2041, CUSIP 57583UK72 | 5/16/16 | 1,360,000 000 | 100 000 | 99.995 | 1,360,006 00 | | | | |
| | | | 100 000 | | 1,360,000 00 | 1,359,932 00 | (68 00) ST | | |
| | **Total** | 1,860,000 000 | | | 1,860,012 00 | | | 18,600.00 | 1 00 |
| | | | | | 1,860,000 00 | **1,859,907.00** | (25 00) LT | 1,499.39 | |
| | | | | | | | (68.00) ST | | |
| *Interest Paid Monthly Mar 01, Callable $100 00 on 01/30/17, Yield to Maturity 1 000%, Floater, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 06/18/14, Asset Class FI & Pref* | | | | | | | | | |
| **NORTHSIDE TEX INDPT SCH DIST SCH BLDG VAR PSF-GTD** | 11/13/15 | 3,000,000.000 | 101.309 | 100 123 | 3,039,276 00 | | | 49,500.00 | 1 64 |
| **06-01-15** | | | 100 772 | | 3,023,151.12 | **3,003,690.00** | (19,461 12) LT | 20,625.00 | |
| Coupon Rate 1 650%, Matures 08/01/2045, CUSIP 66702RJE3 | | | | | | | | | |
| *Int Semi-Annually Feb/Aug 01, Yield to Maturity 1 645%, Callable Extraordinary, Floater, Federal Tax Exempt, Moody AAA, Issued 07/09/15, Asset Class FI & Pref* | | | | | | | | | |

| | Percentage of Holdings | Face Value | Orig Total Cost<br>Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income<br>Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|
| **MUNICIPAL BONDS** | | **56,660,000.000** | **$60,810,416.09** | | | **$1,900,176.00** | **3.29%** |
| | | | **$58,067,831.50** | **$57,827,886.20** | **$(181,376.35) LT** | **$728,144.54** | |
| | | | | | **$(58,568.95) ST** | | |
| **TOTAL MUNICIPAL BONDS**<br>(includes accrued interest) | **76.17%** | | | **$58,556,030.74** | | | |

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EIN· 13-7231616
FYE 12/31/16
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## CORPORATE FIXED INCOME

### CORPORATE BONDS

| Security Description | Trade Date | Face Value | Orig Unit Cost / Adj Unit Cost | Unit Price | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **BANK OF MONTREAL** | 12/8/16 | 500,000 000 | $100 140 | $100 024 | $500,701 92 | | | $6,250 00 | 1 24 |
| Coupon Rate 2.500%, Matures 01/11/2017, CUSIP 06366QW86 | | | $100.050 | | $500,250 69 | **$500,120.00** | $(130 69) ST | $5,902.77 | |
| *Int Semi-Annually Jan/Jul 11, Yield to Maturity 1 616%, Moody AA3 S&P A+, Issued 01/11/12, Asset Class FI & Pref* | | | | | | | | | |
| **BEAR STEARNS CO INC** | 12/1/16 | 366,000 000 | 100 592 | 100 196 | 368,165.90 | | | 10,157.00 | 2 76 |
| Coupon Rate 5 550%, Matures 01/22/2017, CUSIP 073902PN2 | | | 100 270 | | 366,988 78 | **366,717.36** | (271 42) ST | 8,971 57 | |
| *Int Semi-Annually Jan/Jul 22, Yield to Maturity 2 134%, Moody BAA1 S&P BBB+, Issued 11/22/06, Asset Class FI & Pref* | | | | | | | | | |

| | Percentage of Holdings | Face Value | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|
| **CORPORATE FIXED INCOME** | | **866,000.000** | **$868,867.82** | | | **$16,407.00** | **1.89%** |
| | | | **$867,239.47** | **$866,837.36** | **$(402.11) ST** | **$14,874.34** | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **TOTAL CORPORATE FIXED INCOME** (includes accrued interest) | **1.15%** | | | **$881,711.70** | | | |

## GOVERNMENT SECURITIES

### TREASURY SECURITIES

| Security Description | Trade Date | Face Value | Orig Unit Cost / Adj Unit Cost | Unit Price | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **UNITED STATES TREASURY BILL** | 12/28/16 | 12,496,000 000 | $99 995 | $99 998 | $12,495,368 20 | | | — | — |
| Zero Coupon, Matures 01/05/2017, CUSIP 912796HV4 | | | $99.995 | | $12,495,368 20 | **$12,495,750.08** | $381.88 ST | | |
| *Issued 01/07/16, Asset Class FI & Pref* | | | | | | | | | |

| | Percentage of Holdings | Face Value | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|
| **GOVERNMENT SECURITIES** | | **12,496,000.000** | **$12,495,368.20** | | | **$0.00** | — |
| | **16.26%** | | **$12,495,368.20** | **$12,495,750.08** | **$381.88 ST** | **$0.00** | |

ESTHER & HAROLD MERTZ FOUNDATION
C/O DIANNE R STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/16
ATTACHMENT TO FORM 990-PF, PART II, LINES 2, 10A AND 10C

## CERTIFICATES OF DEPOSIT

| Security Description | Trade Date | Face Value | Orig Unit Cost / Adj Unit Cost | Unit Price | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| **UNITED BANK NEW YORK NY CD** | 12/9/16 | 245,000 000 | $100 000 | $99.998 | $245,000.00 | | | $1,225 00 | 0 50 |
| Coupon Rate 0 500%, Matures 01/30/2017, CUSIP 147005AT9 | | | $100 000 | | $245,000 00 | **$244,995.10** | $(4 90) ST | $3 34 | |
| *Interest Paid at Maturity, Yield to Maturity 525%, Issued 12/30/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **CAMBRIDGE SVGS BK CAMBRIDGE MA CD** | 12/9/16 | 245,000 000 | 100 000 | 99 992 | 245,000 00 | | | 1,225.00 | 0 50 |
| Coupon Rate 0 500%, Matures 02/21/2017, CUSIP 132504AX9 | | | 100 000 | | 245,000 00 | **244,980.40** | (19.60) ST | 40 16 | |
| *Interest Paid at Maturity, Yield to Maturity 558%, Issued 12/19/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **BLUE HILLS BK BOSTON MA CD** | 10/18/16 | 245,000.000 | 100.000 | 99 990 | 245,000.00 | | | 1,225.00 | 0 50 |
| Coupon Rate 0 500%, Matures 02/28/2017, CUSIP 095577DL3 | | | 100 000 | | 245,000 00 | **244,975.50** | (24 50) ST | 214 20 | |
| *Interest Paid at Maturity, Yield to Maturity 563%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **FIRST VA CMNTY FAIRFAX VA CD** | 12/9/16 | 245,000 000 | 100 000 | 99.982 | 245,000.00 | | | 184.00 | 0.07 |
| Coupon Rate 0 450%, Matures 02/28/2017, CUSIP 337478CE9 | | | 100 000 | | 245,000.00 | **244,955.90** | (44.10) ST | 8.89 | |
| *Interest Paid Monthly Jan 28, Yield to Maturity 564%, Issued 12/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **Banc Cali IRVINE CA CD** | 10/20/16 | 245,000 000 | 100 000 | 99 975 | 245,000 00 | | | 1,225 00 | 0 50 |
| Coupon Rate 0.500%, Matures 03/28/2017, CUSIP 05961SJG0 | | | 100 000 | | 245,000.00 | **244,938.75** | (61 25) ST | 214.79 | |
| *Interest Paid at Maturity, Yield to Maturity 604%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **USAMERIBANK CD LARGO FL CD** | 10/20/16 | 245,000 000 | 100 000 | 99 967 | 245,000.00 | | | 306 00 | 0 12 |
| Coupon Rate 0 500%, Matures 04/13/2017, CUSIP 917312DV9 | | | 100 000 | | 245,000 00 | **244,919.15** | (80 85) ST | 59 17 | |
| *Interest Paid Monthly Apr 13, Yield to Maturity 616%, Issued 11/14/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **BANK INDIA NEW YO NEW YORK CITY NY CD** | 10/20/16 | 245,000 000 | 100 000 | 99 961 | 245,000 00 | | | 1,470.00 | 0.60 |
| Coupon Rate 0 600%, Matures 04/26/2017, CUSIP 06279HRM7 | | | 100 000 | | 245,000.00 | **244,904.45** | (95 55) ST | 261 78 | |
| *Interest Paid at Maturity, Yield to Maturity 722%, Issued 10/27/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **BANK OF CHINA NEW YORK NY CD** | 10/20/16 | 245,000.000 | 100 000 | 99.961 | 245,000.00 | | | 1,593.00 | 0.65 |
| Coupon Rate 0 650%, Matures 04/26/2017, CUSIP 06426TR84 | | | 100 000 | | 245,000 00 | **244,904.45** | (95 55) ST | 287 95 | |
| *Interest Paid at Maturity, Yield to Maturity 772%, Issued 10/26/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **CAPITLA ONE NA MCLEAN VA CD** | 10/20/16 | 245,000 000 | 100 000 | 99 961 | 245,000.00 | | | 1,593.00 | 0.65 |
| Coupon Rate 0 650%, Matures 04/26/2017, CUSIP 14042RDM0 | | | 100.000 | | 245,000.00 | **244,904.45** | (95 55) ST | 287 95 | |
| *Interest Paid at Maturity, Yield to Maturity 772%, Issued 10/26/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **santander WILMINGTON DE CD** | 10/20/16 | 245,000.000 | 100 000 | 99 961 | 245,000 00 | | | 1,470.00 | 0.60 |
| Coupon Rate 0.600%; Matures 04/26/2017, CUSIP 80280JQN4 | | | 100.000 | | 245,000.00 | **244,904.45** | (95.55) ST | 265.80 | |
| *Interest Paid at Maturity, Yield to Maturity .722%, Issued 10/26/16, Maturity Value = $245,000.00; Asset Class: FI & Pref* | | | | | | | | | |
| **BANK OF BARODA NEW YORK NY CD** | 10/20/16 | 245,000.000 | 100 000 | 99 960 | 245,000.00 | | | 1,470.00 | 0.60 |
| Coupon Rate 0 600%, Matures 04/27/2017; CUSIP 06062QVY7 | | | 100.000 | | 245,000.00 | **244,902.00** | (98.00) ST | 261 78 | |
| *Interest Paid at Maturity, Yield to Maturity 724%, Issued 10/27/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **HARBORONE BK BROCKTON MA CD** | 10/20/16 | 245,000.000 | 100.000 | 99 957 | 245,000.00 | | | 449 00 | 0.18 |
| Coupon Rate 0.550%, Matures 04/27/2017, CUSIP 41166HAG1 | | | 100 000 | | 245,000.00 | **244,894.65** | (105 35) ST | 14 47 | |

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| Security Description | Trade Date | Face Value | Orig Unit Cost / Adj Unit Cost | Unit Price | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|---|---|
| *Interest Paid Monthly Nov 27, Yield to Maturity 684%, Issued 10/27/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **OPEN BK CD LOS ANGELES CA CD** | 10/20/16 | 80,000.000 | 100 000 | 99 960 | 80,000 00 | | | 133.00 | 0 16 |
| Coupon Rate 0 500%, Matures 04/27/2017, CUSIP 68371GBA9 | | | 100 000 | | 80,000 00 | **79,968.00** | (32 00) ST | 4 29 | |
| *Interest Paid Monthly Nov 27, Yield to Maturity 624%, Issued 10/27/16, Maturity Value = $80,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **Pacific Prem IRVINE CA CD** | 10/20/16 | 245,000 000 | 100 000 | 99 963 | 245,000.00 | | | 1,470.00 | 0 60 |
| Coupon Rate 0 600%, Matures 04/28/2017, CUSIP 69478QDN7 | | | 100 000 | | 245,000 00 | **244,909.35** | (90 65) ST | 257 75 | |
| *Interest Paid at Maturity, Yield to Maturity 714%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **TEXANA NA CD LINDEN TX CD** | 10/20/16 | 245,000 000 | 100.000 | 99 963 | 245,000.00 | | | 408 00 | 0 16 |
| Coupon Rate 0 500%, Matures 04/28/2017, CUSIP 88172TAV5 | | | 100 000 | | 245,000 00 | **244,909.35** | (90 65) ST | 9 86 | |
| *Interest Paid Monthly Nov 28, Yield to Maturity 614%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **essex bank TAPPAHANNOCK VA CD** | 10/20/16 | 245,000 000 | 100 000 | 99 963 | 245,000 00 | | | 408 00 | 0 16 |
| Coupon Rate 0 500%, Matures 04/28/2017, CUSIP 296688BC7 | | | 100 000 | | 245,000.00 | **244,909.35** | (90 65) ST | 9 86 | |
| *Interest Paid Monthly Nov 28, Yield to Maturity 614%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **HORIZON BK NATL ASSN MICH CITY IND CD** | 10/20/16 | 245,000.000 | 100 000 | 99 960 | 245,000 00 | | | 1,225 00 | 0 50 |
| Coupon Rate 0.500%, Matures 05/01/2017, CUSIP 44042WBT3 | | | 100 000 | | 245,000 00 | **244,902.00** | (98.00) ST | 204.72 | |
| *Interest Paid at Maturity, Yield to Maturity 620%, Issued 10/31/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **wex MIDVALE UT CD** | 10/20/16 | 245,000.000 | 100 000 | 99 956 | 245,000 00 | | | 1,470 00 | 0.60 |
| Coupon Rate 0 600%, Matures 05/02/2017, CUSIP 92937CER5 | | | 100.000 | | 245,000 00 | **244,892.20** | (107 80) ST | 237 61 | |
| *Interest Paid at Maturity, Yield to Maturity 731%, Issued 11/02/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **BANK LEUMI USA CD NEW YORK NY CD** | 10/20/16 | 245,000.000 | 100 000 | 99 958 | 245,000 00 | | | 1,470.00 | 0 60 |
| Coupon Rate 0 600%, Matures 05/04/2017, CUSIP 063248GA0 | | | 100 000 | | 245,000 00 | **244,897.10** | (102 90) ST | 229 56 | |
| *Interest Paid at Maturity, Yield to Maturity 723%, Issued 11/04/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |
| **HOMESTREET BK CD SEATTLE WA CD** | 10/20/16 | 245,000 000 | 100.000 | 99 944 | 245,000.00 | | | 490.00 | 0 20 |
| Coupon Rate 0 600%; Matures 05/26/2017, CUSIP 43785QJQ7 | | | 100 000 | | 245,000 00 | **244,862.80** | (137 20) ST | 11 85 | |
| *Interest Paid Monthly Nov 28, Yield to Maturity 739%, Issued 10/28/16, Maturity Value = $245,000 00, Asset Class FI & Pref* | | | | | | | | | |

| | Percentage of Holdings | Face Value | Orig Total Cost / Adj Total Cost | Market Value | Unrealized Gain/(Loss) | Est Ann Income / Accrued Interest | Current Yield % |
|---|---|---|---|---|---|---|---|
| **CERTIFICATES OF DEPOSIT** | | **4,735,000.000** | **$4,735,000.00** | | | **$20,509.00** | **0.43%** |
| | | | **$4,735,000.00** | **$4,733,429.40** | **$(1,570.60) ST** | **$2,885.78** | |
| **TOTAL CERTIFICATES OF DEPOSIT** (includes accrued interest) | **6.16%** | | | **$4,736,315.18** | | | |