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Form 990-PF

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

2016

Open to Public
Inspection

For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

<p>Name of foundation FERGUSON FOUNDATION</p> <p>Number and street (or P O box number if mail is not delivered to street address) PO BOX 1246</p> <p>City or town, state or province, country, and ZIP or foreign postal code MOUNT VERNON, WA 98273</p> <p>G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change</p> <p>H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation</p> <p>I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 2,692,230</p>		<p>A Employer identification number 20-5364754</p> <p>B Telephone number (see instructions) (360) 424-0833</p> <p>C If exemption application is pending, check here ► <input type="checkbox"/></p> <p>D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/></p> <p>E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/></p> <p>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/></p>			
		<p>J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____</p> <p>(Part I, column (d) must be on cash basis)</p>			
<p>Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</p>		<p>(a) Revenue and expenses per books</p>	<p>(b) Net investment income</p>	<p>(c) Adjusted net income</p>	<p>(d) Disbursements for charitable purposes (cash basis only)</p>
<p>1 Contributions, gifts, grants, etc, received (attach schedule)</p> <p>2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B</p> <p>3 Interest on savings and temporary cash investments</p> <p>4 Dividends and interest from securities . . .</p> <p>5a Gross rents</p> <p>b Net rental income or (loss) _____</p> <p>6a Net gain or (loss) from sale of assets not on line 10</p> <p>b Gross sales price for all assets on line 6a 181,270</p> <p>7 Capital gain net income (from Part IV, line 2)</p> <p>8 Net short-term capital gain</p> <p>9 Income modifications</p> <p>10a Gross sales less returns and allowances</p> <p>b Less Cost of goods sold</p> <p>c Gross profit or (loss) (attach schedule)</p> <p>11 Other income (attach schedule)</p> <p>12 Total. Add lines 1 through 11</p>			103,015	96,536	
<p>13 Compensation of officers, directors, trustees, etc</p> <p>14 Other employee salaries and wages</p> <p>15 Pension plans, employee benefits</p> <p>16a Legal fees (attach schedule)</p> <p>b Accounting fees (attach schedule)</p> <p>c Other professional fees (attach schedule)</p> <p>17 Interest</p> <p>18 Taxes (attach schedule) (see instructions)</p> <p>19 Depreciation (attach schedule) and depletion</p> <p>20 Occupancy</p> <p>21 Travel, conferences, and meetings</p> <p>22 Printing and publications</p> <p>23 Other expenses (attach schedule)</p> <p>24 Total operating and administrative expenses. Add lines 13 through 23</p> <p>25 Contributions, gifts, grants paid</p> <p>26 Total expenses and disbursements. Add lines 24 and 25</p> <p>27 Subtract line 26 from line 12</p> <p>a Excess of revenue over expenses and disbursements</p> <p>b Net investment income (if negative, enter -0-)</p> <p>c Adjusted net income (if negative, enter -0-)</p>			3,998	0	0
			110	0	0
			10,318	0	0
			127,500		127,500
			137,818	0	127,500
			-11,394		
				119,945	

	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing		41,710	89,701	89,701
	2 Savings and temporary cash investments				
	3 Accounts receivable ►				
	Less allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach schedule) ►				
	Less allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges			1,401	1,401
	10a Investments—U S and state government obligations (attach schedule)		203,259	200,688	208,638
	b Investments—corporate stock (attach schedule)		1,607,950	1,548,962	2,318,620
	c Investments—corporate bonds (attach schedule)		75,019	75,019	73,870
	11 Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach schedule) ►				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach schedule) ►				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		1,927,938	1,915,771	2,692,230
	17 Accounts payable and accrued expenses				
	18 Grants payable.				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ►)		0	0	
	23 Total liabilities (add lines 17 through 22)		0	0	
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds		0	0	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund		0	0	
	29 Retained earnings, accumulated income, endowment, or other funds		1,927,938	1,915,771	
	30 Total net assets or fund balances (see instructions)		1,927,938	1,915,771	
	31 Total liabilities and net assets/fund balances (see instructions)		1,927,938	1,915,771	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,927,938
2 Enter amount from Part I, line 27a	2	-11,394
3 Other increases not included in line 2 (itemize) ►	3	122
4 Add lines 1, 2, and 3	4	1,916,666
5 Decreases not included in line 2 (itemize) ►	5	895
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,915,771

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Additional Data Table					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a See Additional Data Table					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
a See Additional Data Table					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)		If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	23,409	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8				3	

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

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

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

 Yes No

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2015	113,000	2,574,494	0 043892
2014	139,371	2,668,629	0 052226
2013	131,033	2,524,273	0 051909
2012	97,250	2,298,792	0 042305
2011	109,770	2,255,155	0 048675
2 Total of line 1, column (d)			2 0 239007
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0 047801
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5			4 2,567,297
5 Multiply line 4 by line 3			5 122,719
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,199
7 Add lines 5 and 6			7 123,918
8 Enter qualifying distributions from Part XIII, line 4			8 127,500

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1	1	1,199
	Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 2b	1	1,199
c	All other domestic foundations enter 2% of line 2b 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	1,199
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	1,199
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	2,600
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	2,600
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,401
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ►	1,401	Refunded ►
			11

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b	Yes	No
	<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>			
c	Did the foundation file Form 1120-POL for this year?	1c	Yes	No
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?	2	Yes	No
	<i>If "Yes," attach a detailed description of the activities</i>			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5	Yes	No
	<i>If "Yes," attach the statement required by General Instruction T</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either <ul style="list-style-type: none"> By language in the governing instrument, or By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? 	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	►WA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	Yes	No

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions). 11 No

12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions). 12 No

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►NONE 13 Yes

14 The books are in care of ►WILLIAM J TOOMEY CPA Telephone no ►(360) 424-0833

Located at ►1128 E FAIRHAVEN AVE BURLINGTON WA

ZIP+4 ►98233

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here and enter the amount of tax-exempt interest received or accrued during the year. ► 15 □

16 At any time during calendar year 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 Yes No

See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes", enter the name of the foreign country ►

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.

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? □ Yes No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? □ Yes No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? □ Yes No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? □ Yes No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? □ Yes No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). □ Yes No

b If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here. ► □ 1b

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? 1c No

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ► 20____, 20____, 20____, 20____ □ Yes No

b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions) 2b

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? □ Yes No

b If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016). 3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a No

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016? 4b No

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))? (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? (3) Provide a grant to an individual for travel, study, or other similar purposes? (4) Provide a grant to an organization other than a charitable, etc , organization described in section 4945(d)(4)(A)? (see instructions). (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here.		5b
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? <i>If "Yes," attach the statement required by Regulations section 53 4945-5(d)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>		No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7b
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
SCOTT K FERGUSON 12454 GWEN DRIVE NO 7 BURLINGTON, WA 98233	TRUSTEE AND PRESIDENT 0 25	1,500	0	0
WILLIAM J TOOMEY PO BOX 1370 BURLINGTON, WA 98233	TRUSTEE AND TREASURER 0 75	3,210	0	0
ERNA SNIPES 1505 E SECTION STREET MOUNT VERNON, WA 98274	TRUSTEE AND SECRETARY 0 25	1,500	0	0

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

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

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

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

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	2,509,400
b	Average of monthly cash balances.	1b	96,993
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	2,606,393
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	2,606,393
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	39,096
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,567,297
6	Minimum investment return. Enter 5% of line 5.	6	128,365

Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign

Part XI organizations check here ► and do not complete this part)

1	Minimum investment return from Part X, line 6.	1	128,365
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	1,199
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,199
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	127,166
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	127,166
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	127,166

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	127,500
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	127,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	1,199
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	126,301
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				127,166
2 Undistributed income, if any, as of the end of 2016			0	
a Enter amount for 2015 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.				
b From 2012.				
c From 2013.				
d From 2014.	5,494			
e From 2015.				
f Total of lines 3a through e.	5,494			
4 Qualifying distributions for 2016 from Part XII, line 4 ► \$ 127,500			0	
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.			127,166	
e Remaining amount distributed out of corpus	334			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	5,828			
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 instructions			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	5,828			
10 Analysis of line 9				
a Excess from 2012.				
b Excess from 2013.				
c Excess from 2014.	5,494			
d Excess from 2015.				
e Excess from 2016.	334			

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ►			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.			
b	85% of line 2a.			
c	Qualifying distributions from Part XII, line 4 for each year listed.			
d	Amounts included in line 2c not used directly for active conduct of exempt activities.			
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c.			
3	Complete 3a, b, or c for the alternative test relied upon			
a	"Assets" alternative test—enter			
(1)	Value of all assets.			
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)			
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.			
c	"Support" alternative test—enter			
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).			
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(III).			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			

Part XV Supplementary Information (Complete this part only if the organization 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))
- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

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

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

- a The name, address, and telephone number or email 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

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.			14	103,015	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			34	1,240	22,169
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e).		0		104,255	22,169
13 Total. Add line 12, columns (b), (d), and (e).					126,424

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
4	THE FOUNDATION INVESTS IN DIVIDEND PAYING STOCKS AND BONDS WITH YIELDS
4	TO SUPPORT THE FOUNDATION'S CHARITABLE PURPOSE
8	THE FOUNDATION INVESTS IN STOCKS AND BONDS TO FULFILL THE FOUNDATION'S
8	REQUIRED GRANTS AND SALE OF SECURITIES ARE A REQUIRED FUNDING SOURCE

Part XVII

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

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)	No
(2) Other assets.	1a(2)	No
Other transactions		
(1) Sales of assets to a noncharitable exempt organization.	1b(1)	No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)	No
(3) Rental of facilities, equipment, or other assets.	1b(3)	No
(4) Reimbursement arrangements.	1b(4)	No
(5) Loans or loan guarantees.	1b(5)	No
(6) Performance of services or membership or fundraising solicitations.	1b(6)	No
Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c	No

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign 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 _____

**Sign
Here**

2017-05-16

* * * * *

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

**Paid
Preparer
Use Only**

Paid Preparer Use Only	Print/Type preparer's name WILLIAM J TOOMEY	Preparer's Signature	Date	Check if self-employed ► <input checked="" type="checkbox"/>	PTIN P00283704
	Firm's name ► WILLIAM J TOOMEY CPA				Firm's EIN ► 26-1687071
	Firm's address ► PO BOX 1370 BURLINGTON, WA 982330617				Phone no (360) 424-0833

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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.)
1000S BHP BILLITON	P	2015-08-21	2016-08-17
4000S FRONTIER COMMS	P	2015-11-30	2016-11-21
1000S KINDER MORGAN	P	2015-05-12	2016-02-17
1000S B & G FOODS	P	2011-04-18	2016-08-03
25000S GNMA 152278	D	2003-08-04	2016-07-31
1000S PACCAR INC	D	2003-08-04	2016-04-27
2000S FRONTIER COMMUNICATIONS	P	2016-10-12	2016-11-21
CAPITAL GAINS DIVIDENDS	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis (g) plus expense of sale	(h) (e) plus (f) minus (g)
31,292		35,047	-3,755
13,930		19,473	-5,543
17,213		42,836	-25,623
50,383		15,109	35,274
25		483	-458
60,222		36,667	23,555
6,965		8,246	-1,281
1,240			1,240

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

(i) F M V as of 12/31/69	(j) as of 12/31/69 Adjusted basis	(k) Excess of col (i) (k) over col (j), if any	Gains (Col (h) gain minus col (k), but not less than -0-) or (l) Losses (from col (h))
			-3,755
			-5,543
			-25,623
			35,274
			-458
			23,555
			-1,281
			1,240

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a Paid during the year				
BELLINGHAM TECHNICAL COLLEGE FOUNDATION 3028 LINDBERGH AVENUE BELLINGHAM, WA 98225	NONE	OTHER PUBLIC CHARITY	SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	10,000
BURLINGTON ROTARY FOUNDATION PO BOX 185 BURLINGTON, WA 98233	NONE	OTHER PUBLIC CHARITY	SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	17,500
SKAGIT COMMUNITY FOUNDATION PO BOX 1763 MOUNT VERNON, WA 98273	NONE	OTHER PUBLIC CHARITY	DONOR ADVISED FUND FOR COMMUNITY SUPPORT	5,000
SKAGIT VALLEY COLLEGE FOUNDATION 2405 EAST COLLEGE WAY MOUNT VERNON, WA 98273	NONE	OTHER PUBLIC CHARITY	ENDOWMENT FOR POST SECONDARY EDUCATION	15,000
WESTERN WASHINGTON UNIVERSITY 516 HIGH STREET BELLINGHAM, WA 98225	NONE	OTHER PUBLIC CHARITY	SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	25,000
WHATCOM COMMUNITY COLLEGE FOUNDATION 237 WEST KELLOGG ROAD BELLINGHAM, WA 98226	NONE	OTHER PUBLIC CHARITY	SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	10,000
SKAGIT VALLEY FAMILY YMCA 215 EAST FULTON STREET MOUNT VERNON, WA 98273	NONE	OTHER PUBLIC CHARITY	CAPITAL CAMPAIGN COMMUNITY SUPPORT	25,000
LINCOLN THEATRE CENTER FOUNDATION 712 SOUTH FIRST STREET MOUNT VERNON, WA 98273	NONE	OTHER PUBLIC CHARITY	CAPITAL CAMPAIGN COMMUNITY SUPPORT	5,000
SKAGIT COMMUNITY FOUNDATION PO BOX 1763 MOUNT VERNON, WA 98273	NONE	OTHER PUBLIC CHARITY	DONOR ADVISED FUND FOR COMMUNITY SUPPORT	15,000
Total				127,500 ►
3a				

TY 2016 Investments Corporate Bonds Schedule**Name:** FERGUSON FOUNDATION**EIN:** 20-5364754

Name of Bond	End of Year Book Value	End of Year Fair Market Value
SEE ATTACHED SCHEDULE	75,019	73,870

TY 2016 Investments Corporate Stock Schedule**Name:** FERGUSON FOUNDATION**EIN:** 20-5364754

Name of Stock	End of Year Book Value	End of Year Fair Market Value
SEE ATTACHED SCHEDULE	1,548,962	2,318,620

TY 2016 Investments Government Obligations Schedule

Name: FERGUSON FOUNDATION

EIN: 20-5364754

US Government Securities - End of Year Book Value:	120,427
US Government Securities - End of Year Fair Market Value:	125,008
State & Local Government Securities - End of Year Book Value:	80,261
State & Local Government Securities - End of Year Fair Market Value:	83,630

TY 2016 Other Decreases Schedule

Name: FERGUSON FOUNDATION

EIN: 20-5364754

Description	Amount
TAX EXEMPT BOND AMORTIZATION	895

TY 2016 Other Expenses Schedule

Name: FERGUSON FOUNDATION
EIN: 20-5364754

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LICENSES AND FEES	110	0		0

TY 2016 Other Increases Schedule

Name: FERGUSON FOUNDATION

EIN: 20-5364754

Description	Amount
BOOK BALANCE ADJUSTMENT	122

TY 2016 Taxes Schedule

Name: FERGUSON FOUNDATION**EIN:** 20-5364754

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX PAID	3,998	0		0

Ferguson Foundation
 EIN 20-5364754
 Attachments to Form 990
 Return of Private Foundation
 2016 - See Statement 4

Form 990, Page 2, Part II, Item 10a, Investments - US and State Government Obligations

		End of Year	
		Book Value	Market Value
100,000.00	US Treasury Bond, 6.25%, matures 8-15-23	\$ 120,427	\$ 125,008
	Total US Government Securities	\$ 120,427	\$ 125,008
20,000.00	Central PugetWA Regl Tran, 4.75%, matures 2-1-28	20,000	21,361
20,000.00	Lewis Cnty WA Pub Hosp, 6.875%, matures 12/01/35	20,258	20,411
20,000.00	Port of Bellingham Tax Build Amer, 6.25%, matures 12/01/25	20,002	21,492
20,000.00	WA St Hlth Care Facs Auth Rev, 5.5%, matures 8-15-42	20,001	20,366
	Total State Obligations	\$ 80,261	\$ 83,630
	Total Value of US Government and State Obligations	\$ 200,688	\$ 208,638

Ferguson Foundation
 EIN 20-5364754
 Attachments to Form 990
 Return of Private Foundation
 2016 - See Statement 5

Form 990, Page 2, Part II, Item 10b, Investments - corporate stocks

Description	No. Shares	End of Year	
			Market Value
A T & T Inc	2000	52,062	\$ 85,060
Altria Group Inc	2000	51,105	135,240
American Electric Power Co	1000	43,275	62,960
American Electric Power Co	1000	43,200	62,960
B & G Foods Inc	2000	41,502	87,600
Blackrock Credit Allocation	2000	26,205	25,940
Blackrock Credit	1000	12,397	12,970
Blackrock Credit	2000	24,627	25,940
Blackrock Credit	1000	12,107	12,970
Brown Forman	750	28,719	67,380
Brown Forman	250	7,800	22,460
Chevron	225	14,801	26,482
Chevron	275	19,597	32,368
Chevron	500	49,755	58,850
ConocoPhillips	200	10,437	10,028
Conoco Phillips	300	10,638	15,042
Conoco Phillips	500	30,666	25,070
Conoco Phillips	1000	65,487	50,140
Consolidated Edison	400	13,925	29,472
Consolidated Edison	1600	64,439	117,888
Duke Energy Corp	1333	59,752	103,467
Duke Energy Corp	667	43,947	51,773
Kinder Morgan	1000	30,807	20,710
Kinder Morgan	2000	63,927	41,420
Kinder Morgan	2000	41,481	41,420
Nordstrom	1000	30,698	47,930
Nordstrom	1000	36,557	47,930
Paccar	11000	403,332	702,900
Power Shares ETF	2000	36,305	35,920
PPL Corporation	1000	26,820	34,050
PPL Corporation	1000	26,596	34,050
Verizon Communications	2000	65,305	106,760
Verizon Communications	1000	44,827	53,380
Weyerhaeuser Co	1000	15,865	30,090
Total Value of Corporate Stocks		1,548,962	\$ 2,318,620

Ferguson Foundation
EIN 20-5364754
Attachments to Form 990
Return of Private Foundation
2016 - See Statement 6

Form 990, Page 2, Part II, Item 10c, Investments - Corporate Bonds

		End of Year	
		Book Value	Market Value
1,000 00	Aflac Inc, 5 5%, Matures 9/15/52	\$ 25,005	\$ 24,200
1,000 00	Huntington Bancshares (FMERL) 5 875% Ser A	25,007	24,100
1,000 00	Pitney Bowes Inc (pbi P) 6 7% sr notes 3/7/43	25,007	25,570
		\$ 75,019	\$ 73,870