

Form **990-PF****Return of Private Foundation**  
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

**2016**

Open to Public Inspection

Department of the Treasury  
Internal Revenue ServiceDo not enter social security numbers on this form as it may be made public.  
Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

For calendar year 2016 or tax year beginning

, and ending

Name of foundation <b>FARALLON FOUNDATION</b>			A Employer identification number <b>23-7216373</b>	
Number and street (or P O box number if mail is not delivered to street address) <b>2776 TRAILSIDE CIRCLE</b>		Room/suite	B Telephone number (see instructions) <b>(925) 201-8608</b>	
City or town, state or province, country, and ZIP or foreign postal code <b>PLEASANTON CA 94588-4756</b>				
Foreign country name		Foreign province/state/county	Foreign postal code	
C If exemption application is pending, check here <input type="checkbox"/>				
D 1. Foreign organizations, check here <input type="checkbox"/>				
2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>				
E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>				
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>				
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change				
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				
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 8,008,298</b> (Part I, column (d) must be on cash basis.)				
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____				

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	659,158			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	119,645	119,645	119,645	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		403,026		
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	778,803	522,671	119,645		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	16,800	3,600		13,200
	c Other professional fees (attach schedule)	61,586	61,586		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	8,528			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	399	60		339
	24 Total operating and administrative expenses. Add lines 13 through 23	87,313	65,246	0	13,539
	25 Contributions, gifts, grants paid	675,219			675,219
26 Total expenses and disbursements. Add lines 24 and 25	762,532	65,246	0	688,758	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	16,271				
b Net investment income (if negative, enter -0-)		457,425			
c Adjusted net income (if negative, enter -0-)			119,645		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2016)

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	4,541,519	4,762,099	4,762,099
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	459,304	100,000	100,000
	b Investments—corporate stock (attach schedule)	865,132	865,132	2,965,199
	c Investments—corporate bonds (attach schedule)	95,141	95,141	181,000
	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 <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	5,961,096	5,822,372	8,008,298
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ )			
	23 <b>Total liabilities</b> (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	5,961,096	5,822,372	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 <b>Total net assets or fund balances</b> (see instructions)	5,961,096	5,822,372	
	31 <b>Total liabilities and net assets/fund balances</b> (see instructions)	5,961,096	5,822,372	

**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	5,961,096
2 Enter amount from Part I, line 27a	2	16,271
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	5,977,367
5 Decreases not included in line 2 (itemize) ▶ correct previous year's book value	5	154,995
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	5,822,372

**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				
c				
d				
e				

  

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

  

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

  

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	403,026
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	0

**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	665,351	7,771,296	0.085616
2014	695,532	6,921,536	0.100488
2013	642,995	6,766,839	0.095021
2012	566,544	6,418,393	0.088269
2011	523,488	6,135,099	0.085327

  

2	Total of line 1, column (d)	2	0.454721
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	0.090944
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	7,829,735
5	Multiply line 4 by line 3	5	712,067
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,574
7	Add lines 5 and 6	7	716,641
8	Enter qualifying distributions from Part XII, line 4 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.	8	688,758

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)			
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	9,149	
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	0	
<b>3</b>	Add lines 1 and 2	<b>3</b>	9,149	
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>		
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	9,149	
<b>6</b>	Credits/Payments			
<b>a</b>	2016 estimated tax payments and 2015 overpayment credited to 2016	<b>6a</b>	5,000	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>		
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>		
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>		
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	5,000	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>		
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	4,149	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	0	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> <b>Refunded</b>	<b>11</b>	0	

**Part VII-A Statements Regarding Activities**

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

**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	Yes	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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ Guidestar.org	13	X	
14	The books are in care of ▶ Hugh Ditzler, Farallon Foundation Telephone no. ▶ 925-201-8608 Located at ▶ 2776 Trailside Circle Pleasanton CA ZIP+4 ▶ 94588-4756			
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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶	16	Yes	No
				X

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

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

1a	During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		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 ▶ <input type="checkbox"/>	1b	N/A	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	N/A	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	N/A	
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)? ☐ Yes ☒ No
- Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
- If "Yes," attach the statement required by Regulations section 53.4945–5(d)
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- 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? ☐ Yes ☐ No

5b

N/A

6b

X

7b

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Attached Statement		0		

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

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

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

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

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

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

Expenses

1	NONE	
2		
3		
4		

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

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

Amount

1	NONE	
2		
All other program-related investments See instructions		
3		

Total. Add lines 1 through 3 ▶

0

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	3,297,161
<b>b</b>	Average of monthly cash balances	<b>1b</b>	4,651,809
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	7,948,970
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	7,948,970
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	<b>4</b>	119,235
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	7,829,735
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	391,487

**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)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	391,487
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5	<b>2a</b>	9,149
<b>b</b>	Income tax for 2016 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	9,149
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	382,338
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	382,338
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	382,338

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	688,758
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	688,758
<b>5</b>	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)	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	688,758

**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) 2014	(d) 2015
<b>1</b> Distributable amount for 2016 from Part XI, line 7				382,338
<b>2</b> Undistributed income, if any, as of the end of 2016:				
<b>a</b> Enter amount for 2015 only			0	
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2016:				
<b>a</b> From 2011	220,679			
<b>b</b> From 2012	251,217			
<b>c</b> From 2013	307,804			
<b>d</b> From 2014	354,177			
<b>e</b> From 2015	285,209			
<b>f</b> <b>Total</b> of lines 3a through e	1,419,086			
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ 688,758				
<b>a</b> Applied to 2015, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions)				
<b>d</b> Applied to 2016 distributable amount				382,338
<b>e</b> Remaining amount distributed out of corpus	306,420			
<b>5</b> Excess distributions carryover applied to 2016. (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,725,506			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b			0	
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions				
<b>e</b> Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions				0
<b>f</b> Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				0
<b>7</b> 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)				
<b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	220,679			
<b>9</b> <b>Excess distributions carryover to 2017.</b> Subtract lines 7 and 8 from line 6a	1,504,827			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2012	251,217			
<b>b</b> Excess from 2013	307,804			
<b>c</b> Excess from 2014	354,177			
<b>d</b> Excess from 2015	285,209			
<b>e</b> Excess from 2016	306,420			



**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
<b>a</b> Paid during the year <i>SEE ATTACHED Schedule</i>				<i>675,219</i>
<b>Total</b>			▶ <b>3a</b>	0
<b>b</b> Approved for future payment				
<b>Total</b>			▶ <b>3b</b>	0





Name of organization

**FARALLON FOUNDATION**

Employer identification number

**23 7216373****Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	<u>Nicholas E (Med) Devereux</u>	\$ <u>500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	<u>W James + Pamela Lloyd</u>	\$ <u>10,144.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	<u>Gerald C Down</u>	\$ <u>12,540</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>	<u>Gerald C Down</u>	\$ <u>13,451.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>	<u>Gerald C Down</u>	\$ <u>144,200.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>	<u>Marian + Hans Baldau</u>	\$ <u>5000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Farallon Foundation report of charitable donations  
Form 990 PF

2016

Name, Des#		Name, Des#		Name, Des#	
Abilities United	100	CUESA	9,800	Lafayette-Orinda Presbyterian	1,200
Access Fund	50	Curriki	250	Landpaths	500
Alameda Cnty Cancer League	2,650	Cystic Fibrosis Foundation	100	Leadership Institute	100
Alta Bates Summit Foundation	2,500	Dartmouth College	23,000	Legal Comm Vs Violence	1,000
Alzheimers Assoc Res	300	Doctors W/O Borders	200	Leukemia/Lymphom Soc	100
American Academy of	250	E Bay Agency Childrn	200	Lifemoves	1,000
American Cancer Society	100	E Palo Alto Tennis	15,200	Little Bit Therapeut	1,000
American Frnds Of Brooke	450	East Bay College Fund	100	Loaves & Fishes Coco	1,000
American Heart Assoc	100	Evergreen Mtb Alliance	500	Make A Wish Foundatn	150
Americon Civil Rights	200	Fiat Lux	1,000	March of Dimes	500
Arboretum Foundation	20,000	Filoli Ctr Friends O	200	Marin Adv For Childr	100
Archdiocese Seattle	250	First Congregat Church	500	Marin Agric Land Tr	50
Art In Action	5,000	First Place Fr Youth	300	Marin Audubon Society	50
Arthritis Foundation	20	First Presb Sausalit	6,590	Marin Conserv League	500
Assistance Dogs NW	1,000	Food Bank Marin Comm	100	Marin Link	250
Avail For Next New	500	Food Bank San Diego	100	Marion Military Inst	10,000
B Area Wom & Childr	50	Food Bank San Franc	1,502	Meals On Wheels	50
Bay Ar Outreach/Rec	100	Food Bk Alameda Cnty	400	Mechanics' Institute	4,500
Bay Area Commun Svcs	500	Freedom Foundation	3,000	Medical Teams International	41,350
Bay Area Sports Hall	2,650	Gamble Garden Center	1,000	Michael J Fox Foundation	500
Berk Tennis Club Foundation	500	Garden Club Piedmont	100	Michigan State Univ	11,000
Berkeley Athletic Fd	100	George Wright Soc.	10,000	Mill Vall School Foundation	5,000
Big Sur Land Trust	100	Glide Memorial Church	100	Monterey Bay Aquar	5,000
Bishop Odowd Schoon	4,550	Golden Gate Nat Park	2,675	Movember	50
Border Commun Alliance	2,500	Grand Canyon Assoc	1,000	Mt Holyoke College	5,000
Boy Scouts of America	1,600	Grand Teton Nat Park	5,000	Mychals Learning Place	5,000
Boys/Girls Clubs	26,300	Greenbelt Alliance	520	Nat Disast Search Dg	1,000
Bridge The Gap	75	Guardsmen (Sf)	109	National Parks Foundation	500
Bush George W Foundn	100	Guide Dogs For Blind	400	Nature Conservancy	575
Cal State Parks Foundation	200	Guidestar (Philanth)	100	North Star Dance Foundation	9,859
Calif Historical Society	45	Head Royce School	100	Northrn Light School	7,500
Calif Pacif Med Cntr	500	Historic Columbus Fn	500	Northwest Childrens Fund	4,836
California Academy of Science	99	Homeward Pet	1,000	Oak Grove Chr Ministry	5,000
Campfire Girls/Boys	1,350	Hoover Institution	200	Oakland (City of)	100
Cancer Pathways	1,075	Hospice Caring	10,300	Oakland Museum	120
Cancer Survivorship	1,000	Humane Society	50	Oldfields School	100
Canine Companion Ind	250	Hutchinson Cancer	1,500	Olivecrest	1,000
Carmel Foundation	100	Institute For Justice	200	Olympic Club Foundtn	25
Carmel Public Library	100	Issaquah Food Bank	250	Orinda Educ Foundation	600
Castilleja School	2,000	Jeffers Tor House	1,000	Pacific Legal Foundation	250
Catholic Charities	1,000	Jewish Community Ctr	3,000	Packard Lucille Foundation	5,000
Cato Institute	100	Jobtrain Inc	2,000	Palo Alto Medic Foundation	25,000
Cedars Of Marin	100	John Muir Hospital Foundation	1,500	Peer Health Exchange	5,100
Children Of Grace	456	Jr Cntr Art/Science	6,600	Penninsul Volunteers	1,000
Children's Health Cn	5,000	Jubilee Reach	1,300	PFD Research Foundation	1,000
Climate Ride	320	Judson College	10,000	Piedmont Beautif Foundation	1,550
Close Up	50	Kappa Alpha Educ Foundation	1,000	Piedmont Community Church	5,100
Commonwealth Club Ca	51,000	KDFC Classical Music	150	Piedmont Educ Foundation	500
Community Initiative	50	Keren Peulos Friends	100	Planned Parenthood	6,175
Compassion & Choices	110	King County Library	500	Ploughshares Fund	1,000
Consvtn Corps No Bay	1,000	Kipp Bridge Chrtr Sc	10,000	Prevent Blindness Nocal	100
Crissy Field Dog Grp	100	KQED Publ Tv/Radio	11,975	Project Avary	1,512
Cristo Rey Network	5,000	La Russa Arf	500	Project Open Hand	150

Farallon Foundation report of charitable donations  
Form 990 PF

2016

Name, Des#		Name, Des#	Name, Des#
Protestant Episc Church	100	Temple Emanu El	5,400
Rails to Trails	50	Trumpeter Swan Soc	250
Red Cross	3,050	Trust Fr Public Land	500
Redwood Day School	300	UC Alum Association	1,300
Ronald Mcdonald Hous	2,000	UC Athletics/Backers	200
Room Circus	5,000	UC Bancroft Library	2,000
Rotary Club Foundatn	110	UC Band	1,300
Rotary Housing	775	UC Botanical Garden	55
Royal Oaks Foundatn	65	UC Golf	6,375
Salvation Army	2,550	UC Haas Business School	2,000
San Diego Museum Art	125	UC Lawrence Hall	500
San Diego Womens Foundation	2,000	UC Regents/Berk Foundation	17,322
San Francisco Aids Foundation	100	UC Santa Cruz Foundation	300
San Francisco Botanical Garden	1,250	UC Team Cal Tennis	300
San Francisco Conserv Of Music	1,000	UC/Big C Dues/Sports	870
San Francisco Fine Arts Museum	1,949	UC/Prytanean	170
San Francisco Mus'm Modern	1,530	Ucsf Benioff Ch Hosp	100
San Francisco School	5,100	UNICEF	50
San Francisco Symphony	175	United Way	1,750
Sausalito (City Of)	50	Univ Of Michigan	1,250
Sausalito Beautiful	50	Univ Of San Diego	12,000
Sausalito Foundation	50	USO	800
Sausalito Hist Soc	90	Vassar College	10,000
Sausalito Library	50	Village Enterprise	500
Sausalito Village Of	200	Voices for Children	100
Sausalito Womans Club	400	Wash Women In Need	500
Save Lake Sammamish	500	Washing Trails Assoc	250
Save S.f. Bay Assn	500	Westminister Ch Bell	200
Sea Union Gospel Mis	1,000	Wikimedia Foundation	50
Season Of Sharing Fd	5,300	Wild Care Inc	150
Seattl Pacif Sci Ctr	500	Wildlife Conservancy Society	100
Seattle Childrens Hospital	25,000	Wood River Land Trst	75
Senior Services Nor Cal	200	Woodland Park Zoo	1,000
Serve Our Dogs Areas	250	Woodsde Portola Valley Fir	1,000
Shakespear Fstvl Cal	500	World Wildlife Fund	500
Shakespear Fstvl Ore	6,000	Wounded Warrior Project	1,000
Sigma Kappa Foundatn	100	Yosemite Conservancy	7,225
Sing For America Foundation	600	Young Life	1,000
Soc Prev Cruelty An	900	Youth Tennis Advantage	100
Spaulding Wooden Bts	50	Total donations	\$675,219
Special Olympics	100	Number of qualified 501(c)(3)	
St Anthony Dng Rm	100	organizations	251
St Jude's Cathol Church	6,000		
St Mark's Church	7,010		
St Vinc De Paul Soc	1,000		
Stanford Univ	18,525		
Stewardship Partners	1,350		
Summerfield Waldorf	250		
Super Stars Literacy	500		
Surfaid Internationl	500		
Surfaid Internationl	10,750		
Surfrider Spirit Ses	100		
Teach For America	10,000		



**2016 Farallon Asset Sales**

<b>Date Acquired</b>	<b>Security</b>	<b>Shares Sold</b>	<b>Proceeds</b>	<b>Cost</b>	<b>LT Gain/Loss</b>
2/22/2005	UNITED STATES TREAS 7.5% 11/	100,000.	100,000.00	125,385.57	(25,385.57)
2/25/2013	APPLE COMPUTER INC (AAPL)	28.	3,070.91	1,802.05	1,268.86
4/18/2013	APPLE COMPUTER INC (AAPL)	3.	329.03	169.66	159.37
1/4/2002	ALLEGION PLC (ALLE)	170.	10,251.02	2,038.44	8,212.58
1/4/2002	ALLEGION PLC (ALLE)	100.	6,594.74	1,199.08	5,395.66
6/19/2015	AMAZON COM INC (AMZN)	8.	5,951.24	3,496.33	2,454.91
3/26/2012	8X8 INC (EGHT)	700.	8,823.84	2,632.00	6,191.84
3/26/2012	8X8 INC (EGHT)	300.	3,782.93	1,128.00	2,654.93
3/26/2012	8X8 INC (EGHT)	1,223.	13,369.33	4,598.40	8,770.85
4/28/2011	JOHNSON & JOHNSON (JNJ)	20.	2,237.96	1,304.77	933.19
7/23/2012	JP MORGAN CHASE & CO (JPM)	35.	2,873.25	1,182.57	1,690.68
1/13/2009	MICROSOFT CORP (MSFT)	72.	4,291.97	1,429.04	2,862.93
11/17/2009	MICROSOFT CORP (MSFT)	100.	5,961.06	2,996.50	2,964.56
11/7/1980	ORACLE CORP (ORCL)	3,500.	143,802.22	35.00	143,767.22
9/22/1999	REYNOLDS AMERICAN INC (RAI)	2,000.	93,788.77	6,888.27	86,900.50
9/22/1999	REYNOLDS AMERICAN INC (RAI)	2,000.	110,487.60	6,888.27	103,599.33
1/6/2012	WELLS FARGO & CO (WFC)	4.	206.01	115.59	90.42
3/26/2012	XEROX CORP (XRX)	637.	5,773.84	3,841.11	1,932.73
DI Total:			521,595.72	167,130.65	354,464.99
8/31/2009	MICROSOFT CORP (MSFT)	500.	28,924.88	12,325.00	16,599.88
8/31/2009	MICROSOFT CORP (MSFT)	83.731	4,814.27	2,063.97	2,750.30
8/31/2009	MICROSOFT CORP (MSFT)	91.269	5,247.68	2,249.78	2,997.90
1/11/2013	METROPOLITAN WEST FDS LOM	5,750.51	50,000.00	50,358.70	(358.70)
PE Total:			88,986.83	66,997.45	21,989.38
12/19/2001	AES TR III TR PFD CONV SECS (A	700.	35,202.67	20,404.79	14,797.88
ZI Total:			35,202.67	20,404.79	14,797.88
3/4/1998	UNION PAC CORP (UNP)	150.	13,668.21	1,894.93	11,773.28
ST Total:			13,668.21	1,894.93	11,773.28
<b>Farallon Foundation Total 2016 Long Term Gain:</b>			<b>659,453.43</b>	<b>256,427.82</b>	<b>403,025.53</b>

**Year 2016 - Period Expense Summary by Categories**

<u>Period Expenses</u>	<u>Tot Exp</u>	<u>Inv Inc</u>	<u>Net Inc</u>	<u>Char Purp</u>
Investment Advisory & Administration	61,586.00	61,586		
Acctg/Bookkeeping/EDP Svcs (1)	16,800.00	3,600		13,200
Communications - Phone - Mail	0.00	-		-
Bank & Professional Services	399 00	60		339
Supply & Services	0 00			
IRS, CA Tax & Registration	8,528.00			
<b>Total Expenses</b>	<b>87,313</b>	<b>65,246</b>	<b>-</b>	<b>13,539</b>

(1) Includes IRS & CA Reporting, all Char Disbursements, Asset Control, Bookkeeping, Separate Fund Accounting, Expense Recording & Payments, Donations Receipts, Acknowledgements & Recording

**2016 Donations to Farallon Foundation**

Baldauf Marian & Hans	10,926	
Devereux Ned	500	
Ditzler Hugh III	3,300	
Ditzler Kate	125,000	
Down Anne & Gerald	170,191	
Gasner Stuart	125,000	
Lloyd Pamela & W James	16,762	
Nager Karen & Charles	32,000	
Osborn Nancy & James	25,479	
Shuman Josephine	150,000	
<b>Total 2016 Donations to Farallon Foundation &gt;&gt;</b>		<b>659,158</b>

Mailing Addresses for Donors:

2776 Trailside Circle  
Pleasanton, CA 94588-4756

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