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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 Service▶ 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](http://www.irs.gov/form990pf).

For calendar year 2016 or tax year beginning

, 2016, and ending

, 20

Name of foundation  
**MODESTUS BAUER FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
**c/o Robert J Lawrence, 300 S Wacker Drive 500**

City or town, state or province, country, and ZIP or foreign postal code  
**Chicago, Illinois 60606**

**G** Check all that apply: ☐ Initial return ☐ Initial return of a former public charity  
☐ Final return ☐ Amended return  
☐ Address change ☐ Name change

**H** Check type of organization: ☒ Section 501(c)(3) exempt private foundation  
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

**I** Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ **16,566,393** (Part I, column (d) must be on cash basis.)

**J** Accounting method: ☒ Cash ☐ Accrual  
☐ Other (specify) \_\_\_\_\_

**A** Employer identification number  
**36-4473692**

**B** Telephone number (see instructions)  
**312-372-1947**

**C** If exemption application is pending, check here ▶ ☐

**D** 1. Foreign organizations, check here ▶ ☐  
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

**E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <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	393,386	393,386		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	451,364			
	b Gross sales price for all assets on line 6a	1,585,661			
	7 Capital gain net income (from Part IV, line 2)		451,364		
	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	844,750	844,750			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	36,000			36,000
	14 Other employee salaries and wages				
	15 Pension plans; employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	65,715	65,715		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	6,482	2,482		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	242	242		
	24 Total operating and administrative expenses. Add lines 13 through 23	108,439	68,439		36,000
25 Contributions, gifts, grants paid	866,000			866,000	
26 Total expenses and disbursements. Add lines 24 and 25	974,439	68,439		902,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(129,689)				
b Net investment income (if negative, enter -0-)		776,311			
c Adjusted net income (if negative, enter -0-)					

For Paperwork Reduction Act Notice, see instructions.

Cat. No 11289X

Form **990-PF** (2016)

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<b>Part II Balance Sheets</b>		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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	(31,548)	72,229	72,229
	<b>2</b> Savings and temporary cash investments . . . . .			
	<b>3</b> Accounts receivable ▶ . . . . .			
	Less: allowance for doubtful accounts ▶ . . . . .			
	<b>4</b> Pledges receivable ▶ . . . . .			
	Less: allowance for doubtful accounts ▶ . . . . .			
	<b>5</b> Grants receivable . . . . .			
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ . . . . .			
	Less: allowance for doubtful accounts ▶ . . . . .			
	<b>8</b> Inventories for sale or use . . . . .			
	<b>9</b> Prepaid expenses and deferred charges . . . . .			
	<b>10a</b> Investments—U.S. and state government obligations (attach schedule) . . . . .	1,412,630	1,247,354	1,320,823
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	5,861,975	5,872,329	10,409,117
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .	2,235,606	2,827,449	2,812,221
<b>Liabilities</b>	<b>11</b> Investments—land, buildings, and equipment: basis ▶ . . . . .			
	Less: accumulated depreciation (attach schedule) ▶ . . . . .			
	<b>12</b> Investments—mortgage loans . . . . .			
	<b>13</b> Investments—other (attach schedule) . . . . .	2,681,616	1,952,000	1,952,003
	<b>14</b> Land, buildings, and equipment: basis ▶ . . . . .			
	Less: accumulated depreciation (attach schedule) ▶ . . . . .			
	<b>15</b> Other assets (describe ▶ . . . . . ) . . . . .			
	<b>16</b> <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .	12,160,279	11,971,361	16,566,393
	<b>17</b> Accounts payable and accrued expenses . . . . .			
	<b>18</b> Grants payable . . . . .			
<b>Net Assets or Fund Balances</b>	<b>19</b> Deferred revenue . . . . .			
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .			
	<b>22</b> Other liabilities (describe ▶ . . . . . ) . . . . .			
	<b>23</b> <b>Total liabilities</b> (add lines 17 through 22) . . . . .	0		
	<b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b> and complete lines 24 through 26 and lines 30 and 31.			
	<b>24</b> Unrestricted . . . . .			
	<b>25</b> Temporarily restricted . . . . .			
	<b>26</b> Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/></b> and complete lines 27 through 31.			
<b>Net Assets or Fund Balances</b>	<b>27</b> Capital stock, trust principal, or current funds . . . . .	12,160,279	11,971,361	
	<b>28</b> Paid-in or capital surplus, or land, bldg., and equipment fund . . . . .			
	<b>29</b> Retained earnings, accumulated income, endowment, or other funds . . . . .			
	<b>30</b> <b>Total net assets or fund balances</b> (see instructions) . . . . .	12,160,279	11,971,361	
	<b>31</b> <b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	12,160,279	11,971,361	

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

<b>1</b> 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) . . . . .	<b>1</b>	12,160,279
<b>2</b> Enter amount from Part I, line 27a . . . . .	<b>2</b>	(129,689)
<b>3</b> Other increases not included in line 2 (itemize) ▶ . . . . .	<b>3</b>	
<b>4</b> Add lines 1, 2, and 3 . . . . .	<b>4</b>	
<b>5</b> Decreases not included in line 2 (itemize) ▶ . . . . .	<b>5</b>	(59,229)
<b>6</b> Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	11,971,361

**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.)
<b>1a</b> see attached schedule			
<b>b</b> Charles Schwab	P	various	2016
<b>c</b> Abrams Capital Partners, LP	P	2002	2016
<b>d</b>			
<b>e</b>			

  

(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)
<b>a</b>			
<b>b</b> 1,555,649		1,134,297	421,352
<b>c</b> 30,012		0	30,012
<b>d</b>			
<b>e</b>			

  

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))
<b>a</b>			
<b>b</b>			421,352
<b>c</b>			30,012
<b>d</b>			
<b>e</b>			

  

<b>2</b> 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 }	<b>2</b>	451,364
<b>3</b> 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 . . . . .	<b>3</b>	

**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	894,005	16,311,459	.054808
2014	940,603	16,911,360	.055620
2013	866,027	16,023,534	.054047
2012	780,223	14,850,570	.052538
2011	753,503	14,523,136	.051883

  

<b>2</b> Total of line 1, column (d) . . . . .	<b>2</b>	268896
<b>3</b> 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 . . . . .	<b>3</b>	.0537792
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 . . . . .	<b>4</b>	16,017,141
<b>5</b> Multiply line 4 by line 3 . . . . .	<b>5</b>	861,389
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	<b>6</b>	7,763
<b>7</b> Add lines 5 and 6 . . . . .	<b>7</b>	869,152
<b>8</b> 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.	<b>8</b>	902,000

**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. <b>(attach copy of letter if necessary—see instructions)</b>		
<b>b</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 27b	<b>1</b>	7,763
<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>	
<b>3</b>	Add lines 1 and 2	<b>3</b>	7,763
<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>	7,763
<b>6</b>	Credits/Payments:		
<b>a</b>	2016 estimated tax payments and 2015 overpayment credited to 2016	<b>6a</b>	8,815
<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>	8,815
<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>	0
<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>	1,052
<b>11</b>	Enter the amount of line 10 to be. <b>Credited to 2017 estimated tax</b> 1,052 <b>Refunded</b>	<b>11</b>	

**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?		✓
<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>		✓
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		✓
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: <b>(1)</b> On the foundation. ▶ \$ <b>(2)</b> 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>		✓
<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>		✓
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		✓
<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?	✓	
<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>	✓	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Illinois		
<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 General Instruction G? <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>		✓
<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>		✓

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

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	✓
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	✓
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	✓
14 The books are in care of ► David Reich Telephone no. ► 312.372.1947 Located at ► 300 S. Wacker Drive, Suite 500, Chicago, IL ZIP+4 ► 60606		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. <input type="checkbox"/> 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	✓

**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? <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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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		
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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	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	✓
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		
b Are there any years listed in 2a for which the foundation is <b>not</b> 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		
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	✓
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b	✓

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)****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)?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**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
Robert J Lawrence 418 Briarwood Pl, Highland Park, IL 60035	Dir., Pres. 3 Hrs	\$18,000	0	0
Linda N Lawrence 418 Briarwood Pl, Highland Park, IL 60035	Dir, Asst Sec .25 hrs	0	0	0
Lawrence A. Reich 609 Crofton Ave S, Highland Park, IL 60035	Dir, VP, .50 hrs	\$18,000	0	0
David Reich 833 Timber Hill, Highland Park, IL 60035	Dir., Sec. 1.5 hrs	0	0	0

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

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

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

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

<b>Total number of others receiving over \$50,000 for professional services</b>	1
---	---

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.

1 NONE

2

3

4

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

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



**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>	16,261,056
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	
<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>	16,261,056
<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>	16,261,056
<b>4</b>	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions) . . . . .	<b>4</b>	243,916
<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>	16,017,140
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	800,857

**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>	800,857
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5 . . . . .	<b>2a</b>	7,763
<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>	7,763
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	793,094
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	793,094
<b>6</b>	Deduction from distributable amount (see instructions) . . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	793,094

**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>	902,000
<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>	902,000
<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>	7,763
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	894,237

**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
<b>1</b> Distributable amount for 2016 from Part XI, line 7 . . . . .				793,094
<b>2</b> Undistributed income, if any, as of the end of 2016:				
<b>a</b> Enter amount for 2015 only . . . . .			191,099	
<b>b</b> Total for prior years: 20____, 20____, 20____		0		
<b>3</b> Excess distributions carryover, if any, to 2016:				
<b>a</b> From 2011 . . . . .	0			
<b>b</b> From 2012 . . . . .	0			
<b>c</b> From 2013 . . . . .	0			
<b>d</b> From 2014 . . . . .	0			
<b>e</b> From 2015 . . . . .	0			
<b>f</b> Total of lines 3a through e . . . . .	0			
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4: ► \$ <u>902,000</u>				
<b>a</b> Applied to 2015, but not more than line 2a . . . . .			191,099	
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions) . . . . .		0		
<b>c</b> Treated as distributions out of corpus (Election required—see instructions) . . . . .	0			
<b>d</b> Applied to 2016 distributable amount . . . . .				710,901
<b>e</b> Remaining amount distributed out of corpus . . . . .	0			
<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).)	0			0
<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 . . . . .	0			
<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 . . . . .		0		
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see instructions . . . . .		0		
<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 . . . . .				82,193
<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) . . . . .	0			
<b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . . . .	0			
<b>9</b> Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a . . . . .	0			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2012 . . . . .	0			
<b>b</b> Excess from 2013 . . . . .	0			
<b>c</b> Excess from 2014 . . . . .	0			
<b>d</b> Excess from 2015 . . . . .	0			
<b>e</b> Excess from 2016 . . . . .	0			

**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 . . . . . **N/A**

**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			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test—enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test—enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> 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:

N/A

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

N/A

**c** Any submission deadlines:

N/A

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

N/A

**Part XV** **Supplementary Information** *(continued)***3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a Paid during the year</b>				
See Attached Schedule		PC	charitable	866,000
<b>Total</b>				<b>3a 866,000</b>
<b>b Approved for future payment</b>				
None				
<b>Total</b>				<b>3b</b>

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 . . . . .			01	393,386	
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			01	451,364	
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) . . . . .				844,750	
13	Total. Add line 12, columns (b), (d), and (e) . . . . .					844,750

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

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.)
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[illegible]

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?	Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	✓
	(2) Other assets	1a(2)	✓
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
	(3) Rental of facilities, equipment, or other assets	1b(3)	✓
	(4) Reimbursement arrangements	1b(4)	✓
	(5) Loans or loan guarantees	1b(5)	✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

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

**b** If "Yes," complete the following schedule.

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

**Sign  
Here**

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

Signature of officer or trustee

7/22/17  
Date

President  
Title

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

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☐ if self-employed

PTIN

Firm's name ▶

**Firm's FIN** ►

Firm's address ►

Phone no.

FORM 990-PF for Year 2016  
MODESTUS BAUER FOUNDATION  
c/o ROBERT J. LAWRENCE  
300 S. Wacker Drive, Suite 500  
Chicago, Illinois 60606  
36-4473692

SCHEDULE OF OTHER PROFESSIONAL FEES – (PART I, LN 16c)

Investment advisory fees	\$65,715
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SCHEDULE OF TAXES (PART I, LN 18)

Excise taxes	4,000
Foreign investment taxes	<u>2482</u>
	\$ 6,482

SCHEDULE OF OTHER EXPENSES (PART I, LN 23)

Misc filing fees and custodian and broker fees	242
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Schedule of Contributions

2016 - Par XV- Line 3a

Page 1 of 4

<u>Recipient</u>	<u>Amount</u>
Ravinia Festival Association	\$ 10,000.00
St. Jude's Children's Research Hospital	\$ 5,000.00
National Council Of Jewish Women/Los Angeles	\$ 15,000.00
Pass With Flying Colors	\$ 1,500.00
Alliance Of Families Fighting Pancreatic Cancer	\$ 2,000.00
Writers Theatre Inc.	\$ 20,000.00
Shining Stars Foundation	\$ 2,000.00
Maltz Jupiter Theatre Inc.	\$ 3,000.00
Build, Inc.	\$ 2,000.00
Jupiter Medical Center Foundation	\$ 10,000.00
Family Action Network	\$ 5,000.00
The Chicago Lighthouse	\$ 750.00
Northlight Theatre, Inc.	\$ 7,000.00
The Cleveland Clinic Foundation	\$ 20,000.00
Student Conservation Association	\$ 3,000.00
Birthright Israel Foundation	\$ 2,500.00
Friends Of The BWCA	\$ 6,500.00
Highland Park Community Foundation	\$ 7,500.00
Longevity Foundation	\$ 2,500.00
The Nature Conservancy	\$ 10,000.00
Northwoods Land Trust	\$ 6,500.00
Family Service	\$ 11,000.00
National Multiple Sclerosis Society	\$ 17,500.00
Horizons For Youth	\$ 8,000.00
The Raymond F. Kravis Center For The Performing Arts	\$ 1,000.00
University Of Wisconsin - Chabad House	\$ 1,500.00
Northwestern University	\$ 1,500.00
American Technion Society	\$ 7,500.00
Anti-Defamation League	\$ 7,500.00
Friends Of The IDF	\$ 7,500.00
Evans Scholars Foundation	\$ 10,000.00
Jewish United Fund	\$ 80,000.00
MD Anderson Cancer Center	\$ 10,000.00
NorthShore University Health System Foundation	\$ 55,000.00
Michael Rolfe Pancreatic Cancer Fund	\$ 9,000.00
College Bound Opportunities	\$ 3,000.00
The Art Center	\$ 5,000.00



MODESTUS BAUER FOUNDATION 36-4473692

Schedule of Contributions

2016 - Par XV- Line 3a

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The Chicago Horticultural Society	\$	10,000.00
Planned Parenthood Of Illinois	\$	35,000.00
Hadassah Foundation, Inc.	\$	4,000.00
University Of Illinois At Chicago	\$	15,000.00
Steppenwolf Theatre Company	\$	5,000.00
Mayo Foundation	\$	20,000.00
Northwestern Memorial Foundation	\$	20,000.00
Art Encounter	\$	5,000.00
Rehabilitation Institute Of Chicago	\$	10,000.00
Congregation Shaare Emeth	\$	5,000.00
American Committee For The Weizmann Institute Of Science	\$	10,000.00
Glenkirk Foundation	\$	4,000.00
HSF Basketball, Inc.	\$	3,000.00
First Congregational Church Of Riverside	\$	1,000.00
Unitarian Universalist Church Of The Desert	\$	1,000.00
Valencia High School	\$	1,000.00
Daniel M. Murphy Scholarship Fund	\$	1,000.00
North Lawndale College Prep Charter High School	\$	1,000.00
Camperships For Nebagamon, Inc.	\$	1,500.00
College Bound Opportunities	\$	500.00
National Ataxia Foundation	\$	2,000.00
Purdue Fund	\$	2,000.00
Am Yisrael	\$	3,600.00
The Ark	\$	10,000.00
CURED	\$	1,000.00
Israel Cancer Research Fund	\$	18,000.00
Autism Speaks, Inc.	\$	20,000.00
Council For Jewish Elderly	\$	10,000.00
Children's Hosp. Of Chicago Foundation	\$	10,000.00
JourneyCare Foundation	\$	7,500.00
ReadWorks	\$	7,000.00
LIFT	\$	10,000.00
Camp Nebagamon Scholarship Fund	\$	1,000.00
Highland Park Montessori	\$	2,000.00
Solomon Schechter Day School Of Metropolitan Chicago	\$	2,000.00
Children's Hospital Of Michigan Foundation	\$	10,000.00
Clayton High School	\$	10,000.00
Washington University In St. Louis	\$	5,000.00
St. Louis Arc	\$	5,000.00

MODESTUS BAUER FOUNDATION 36-4473692

Schedule of Contributions

2016 - Par XV- Line 3a

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Ready Readers	\$	5,000.00
JL Cares	\$	2,000.00
Thresholds	\$	1,000.00
Streetwise	\$	500.00
Las Madrinass Guild	\$	5,000.00
Forgotten Soldiers Outreach	\$	3,000.00
Compassion And Choices	\$	3,000.00
Ann & Robert H. Lurie Children's Hospital Of Chicago	\$	5,000.00
ACWIS	\$	3,000.00
Carol Gollob Foundation For Breast Cancer Research	\$	4,000.00
American Friends Of Magen David Adom	\$	5,000.00
Children's Golf Foundation, Inc.	\$	5,000.00
Sunshine Through Golf Foundation	\$	3,000.00
Park District Of Highland Park	\$	8,000.00
Melanoma Research Foundation	\$	3,000.00
American Cancer Society	\$	7,000.00
Friends For Health	\$	3,000.00
FAU Foundation/LLS Jupiter	\$	1,000.00
Daniel M. Murphy Scholarship Fund	\$	7,500.00
Chicago Police Memorial Foundation	\$	2,000.00
Window To The World Communications, Inc.	\$	1,000.00
The WBEZ Alliance, Inc.	\$	1,000.00
Illinois Bar Foundatoin	\$	2,000.00
American Jewish Committee	\$	1,000.00
Angles (fka Links)	\$	3,500.00
Cancer Wellness Center	\$	7,500.00
The Cove School	\$	2,500.00
Moraine Township Food Pantry	\$	2,500.00
SEDOL	\$	3,000.00
Vasculitis Foundation	\$	2,500.00
West Deefield Township Food Pantry	\$	2,500.00
Memorial Sloan Kettering Cancer Center	\$	3,000.00
Rush University Medical Center	\$	5,000.00
The Kidney Cancer Association	\$	10,000.00
Partners In Health	\$	10,000.00
Doctors Without Borders	\$	10,000.00
The Brady Center To Prevent Gun Violence	\$	1,000.00
Holocaust Memorial Foundation Of Illinois, Inc.	\$	3,500.00
Glencoe Public Library	\$	1,500.00

MODESTUS BAUER FOUNDATION 36-4473692

Schedule of Contributions

2016 - Par XV- Line 3a

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Naomi Berrie Diabetes Center, Columbia University	\$	5,000.00
Highland Park Public Library	\$	5,000.00
Northern Illinois Food Bank	\$	14,000.00
University Of Chicago Cancer Research Foundation	\$	5,000.00
Aspiritech NFP	\$	5,000.00
Greater Chicago Food Depository	\$	5,000.00
Preservation Foundation Of The Lake County Forest Preserves	\$	1,000.00
Environmental Law And Policy Center	\$	5,400.00
Community Health	\$	3,000.00
Environmental Defense Fund	\$	2,500.00
Equal Justice Initiative	\$	<u>250.00</u>
Total	\$	<u><u>866,000.00</u></u>

**Lodestar Investment Counsel, LLC**  
**PORTFOLIO APPRAISAL**  
**Modestus Bauer Foundation**  
**December 31, 2016**

Quantity	Security	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Annual Income	Cur Yield
<b>CASH &amp; EQUIVALENTS</b>								
	Schwab U.S. Treasury Note Money Fund		<u>72,229</u>		<u>72,229</u>			
<b>COMMON STOCK</b>								
<b>ENERGY</b>								
1,300	Chevron Corporation	105.01	136,515	117.70	153,010	0.9	5,616	3.3
3,000	Exxon Mobil Corp	24.49	73,477	90.26	270,780	1.6	9,000	3.3
2,300	Schlumberger Ltd.	79.02	<u>181,750</u>	83.95	<u>193,085</u>	<u>1.2</u>	<u>4,600</u>	<u>2.4</u>
			391,742		616,875	3.7	19,216	3.1
<b>UTILITIES</b>								
3,000	Southern Company	31.36	94,068	49.19	147,570	0.9	6,720	4.6
<b>TELECOMMUNICATIONS</b>								
5,000	Verizon Communications, Inc.	49.33	246,668	53.38	266,900	1.6	11,550	4.3
<b>DRUGS AND MEDICAL</b>								
5,000	Abbott Laboratories	28.03	140,139	38.41	192,050	1.2	5,300	2.8
1,000	Amgen	144.23	144,235	146.21	146,210	0.9	4,600	3.1
4,000	Johnson & Johnson	55.88	223,540	115.21	460,840	2.8	12,800	2.8
3,400	Merck & Co.	41.03	<u>139,514</u>	58.87	<u>200,158</u>	<u>1.2</u>	<u>6,392</u>	<u>3.2</u>
			647,428		999,258	6.1	29,092	2.9
<b>MANUFACTURING</b>								
1,600	3M Company	77.78	124,441	178.57	285,712	1.7	7,104	2.5
8,000	General Electric	27.99	223,897	31.60	252,800	1.5	7,680	3.0
3,000	Illinois Tool Works Inc.	32.79	98,384	122.46	367,380	2.2	7,800	2.1
1,539	United Technologies Corporation	97.83	150,563	109.62	168,705	1.0	4,063	2.4
			<u>597,284</u>		<u>1,074,597</u>	<u>6.5</u>	<u>26,647</u>	<u>2.5</u>
<b>INSURANCE</b>								
4,000	Metropolitan Life	46.78	187,107	53.89	215,560	1.3	6,400	3.0
2,500	Travelers Companies Com	49.45	123,615	122.42	306,050	1.9	6,700	2.2
			<u>310,722</u>		<u>521,610</u>	<u>3.2</u>	<u>13,100</u>	<u>2.5</u>

**Lodestar Investment Counsel, LLC**  
**PORTFOLIO APPRAISAL**  
**Modestus Bauer Foundation**  
**December 31, 2016**

Quantity	Security	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct Assets	Annual Income	Cur Yield
<b>CONGLOMERATE</b>								
1,100	Berkshire Hathaway Cl B	125.34	137,869	162.98	179,278	1.1	0	0.0
<b>CONSUMER PRODUCTS</b>								
2,000	Philip Morris International Inc	34.15	68,300	91.49	182,980	1.1	8,320	4.5
3,500	Procter & Gamble	54.94	192,276	84.08	294,280	1.8	9,373	3.2
			260,576		477,260	2.9	17,693	3.7
<b>BANKING AND FINANCE</b>								
2,000	American Express	32.01	64,016	74.08	148,160	0.9	2,560	1.7
650	Blackrock Inc	342.77	222,800	380.54	247,351	1.5	5,954	2.4
2,500	JP Morgan Chase & Company	65.82	164,552	86.29	215,725	1.3	4,400	2.0
4,000	Northern Trust Co.	49.97	199,889	89.05	356,200	2.2	6,080	1.7
			651,258		967,436	5.9	18,994	2.0
<b>DISTRIBUTION AND SERVICES</b>								
5,000	Sysco Corp	23.03	115,165	55.37	276,850	1.7	6,600	2.4
<b>TRANSPORTATION</b>								
2,300	Union Pacific	95.65	219,987	103.68	238,464	1.4	5,566	2.3
2,100	United Parcel Service	66.32	139,281	114.64	240,744	1.5	6,552	2.7
			359,268		479,208	2.9	12,118	2.5
<b>SERVICES</b>								
3,000	Accenture Ltd Cl A	26.14	78,406	117.13	351,390	2.1	7,260	2.1
2,000	Omnicom Group Inc.	66.33	132,654	85.11	170,220	1.0	4,400	2.6
			211,060		521,610	3.2	11,660	2.2
<b>RETAIL</b>								
2,000	CVS Health Corp.	96.98	193,961	78.91	157,820	1.0	4,000	2.5
4,000	Lowe's Companies Inc.	19.99	79,958	71.12	284,480	1.7	5,600	2.0
4,000	Wal-Mart Stores Inc	49.62	198,467	69.12	276,480	1.7	8,000	2.9
			472,386		718,780	4.4	17,600	2.4
<b>ENTERTAINMENT</b>								
3,300	Walt Disney Company	22.39	73,877	104.22	343,926	2.1	5,148	1.5
<b>TECHNOLOGY</b>								
280	Alphabet Inc Cl C	509.13	142,555	771.82	216,110	1.3	0	0.0
1,400	Apple Inc.	94.46	132,245	115.82	162,148	1.0	3,192	2.0

MODESTUS BAUER FOUNDATION  
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SCHEDULE OF INVESTMENTS AS OF 12/31/16  
PART II. COLUMNS (b) AND (c)  
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**Lodestar Investment Counsel, LLC**  
**PORTFOLIO APPRAISAL**  
**Modestus Bauer Foundation**  
**December 31, 2016**

Quantity	Security	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Annual Income	Cur Yield
7,000	Microsoft Corporation	17.33	121,330	62.14	434,980	2.6	10,920	2.5
			<u>396,130</u>		<u>813,238</u>	<u>4.9</u>	<u>14,112</u>	<u>1.7</u>
<b>FOOD AND BEVERAGE</b>								
6,000	Nestle S.A. Registered Voting ADR	20.58	123,472	71.87	431,250	2.6	11,681	2.7
3,000	Pepsico Inc	41.00	<u>123,009</u>	104.63	<u>313,890</u>	<u>1.9</u>	<u>9,030</u>	<u>2.9</u>
			<u>246,481</u>		<u>745,140</u>	<u>4.5</u>	<u>20,711</u>	<u>2.8</u>
			<u>5,211,981</u>		<u>9,149,536</u>	<u>55.4</u>	<u>230,961</u>	<u>2.5</u>
<b>HEDGE FUNDS (UNSUPERVISED)</b>								
	Abrams Capital Partners I, LP (9/30/16)		<u>1,952,000</u>		<u>1,952,003</u>			
<b>UNSUPERVISED MUTUAL FUNDS</b>								
10,202.616	Artisan Funds International	14.33	146,251	25.61	261,289	1.6	3,064	1.2
13,135.669	Tweedy Browne Global Value Fund	16.40	215,400	25.04	328,917	2.0	3,836	1.2
5,350.141	Wasatch Core Growth Fund	29.79	159,363	58.42	312,555	1.9	0	0.0
			<u>521,014</u>		<u>902,761</u>	<u>5.5</u>	<u>6,899</u>	<u>0.8</u>
<b>UNSUPERVISED EQUITIES AND ETF'S</b>								
3,000	IShares Tr Russell 2000 Value	46.44	139,334	118.94	356,820	2.2	6,218	1.7
<b>CORPORATE BONDS</b>								
150,000	Berkshire Hathaway Inc. 1.900% Due 01-31-17	100.07	150,111	100.05	150,078	0.9	2,850	1.9
175,000	National Oilwell Varco 1.350% Due 12-01-17	100.04	175,076	99.61	174,317	1.1	2,362	1.4
100,000	General Electric Co. NC 5.250% Due 12-06-17	103.66	103,661	103.59	103,594	0.6	5,250	5.1
150,000	Cardinal Health Inc. 1.700% Due 03-15-18	100.51	150,768	99.89	149,832	0.9	2,550	1.7
150,000	Berkshire Hathaway Fin Corp 2.000% Due 08-15-18	101.17	151,754	100.80	151,202	0.9	3,000	2.0
125,000	Emerson Elec Co 5.250% Due 10-15-18	106.20	132,750	106.41	133,015	0.8	6,562	4.9

**Lodestar Investment Counsel, LLC**  
**PORTFOLIO APPRAISAL**  
**Modestus Bauer Foundation**  
**December 31, 2016**

Quantity	Security	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Annual Income	Cur Yield
150,000	McDonald's Corp. 2.100% Due 12-07-18	100.47	150,703	100.59	150,891	0.9	3,150	2.1
150,000	Target Corp 2.300% Due 06-26-19	101.58	152,365	101.44	152,165	0.9	3,450	2.3
150,000	Astrazeneca PLC 1.950% Due 09-18-19	100.02	150,033	100.14	150,210	0.9	2,925	1.9
150,000	National Rural Utilities Coop 2.350% Due 06-15-20	100.39	150,590	100.14	150,216	0.9	3,525	2.3
125,000	Pepsico Inc. 3.125% Due 11-01-20	102.90	128,627	103.21	129,009	0.8	3,906	3.0
150,000	Coca Cola Co. 3.150% Due 11-15-20	103.24	154,865	103.88	155,827	0.9	4,725	3.0
150,000	AT&T Corp. NC 2.800% Due 02-17-21	101.77	152,649	99.21	148,809	0.9	4,200	2.8
150,000	Apple Inc. 2.850% Due 05-06-21	101.31	151,972	102.07	153,112	0.9	4,275	2.8
100,000	Hubbell Inc 3.625% Due 11-15-22	103.03	103,034	102.61	102,607	0.6	3,625	3.5
			2,158,956		2,154,886	13.1	56,356	2.6

**TAXABLE MUNICIPAL BONDS**

100,000	Durham, NC GO NC 2.720% Due 10-01-17	101.13	101,128	101.23	101,232	0.6	2,720	2.7
100,000	Oregon St GO 5.420% Due 08-01-18	105.91	105,915	106.31	106,310	0.6	5,420	5.1
100,000	Forsyth County, GA NC 1.740% Due 03-01-19	99.95	99,947	100.30	100,305	0.6	1,740	1.7
100,000	University of Alabama Rev CA 7/1/16 @ 100 5.650% Due 07-01-19	100.00	100,000	100.32	100,321	0.6	5,650	5.6
190,000	Columbia, MO Sewer Rev BAB CA 10/1/19 @ 100 5.440% Due 10-01-26	107.77	204,765	106.04	201,480	1.2	10,336	5.1
			611,755		609,648	3.7	25,866	4.2

**TREASURY SECURITIES INDEXED FOR INFLATION**

600,000	US Treasury Inflation Index 1.625% Due 01-15-18	105.81	634,841	118.39	710,332	4.3	9,750	1.4
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**Lodestar Investment Counsel, LLC**  
**PORTFOLIO APPRAISAL**  
**Modestus Bauer Foundation**  
**December 31, 2016**

Quantity	Security	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Annual Income	Cur Yield
			634,841		710,332	4.3	9,750	1.4
<b>BOND MUTUAL FUNDS (OPEN END)</b>								
44,235.826	Vanguard High Yield Bond Fund - Admiral	5.68	251,458	5.83	257,895	1.6	14,140	5.5
<b>BOND MUTUAL FUNDS (CLOSED END) &amp; ETF's</b>								
4,000	Pimco 0-5 Year High Yield Corp Bond Fund	104.26	417,035	99.86	399,440	2.4	20,505	5.1
<b>FNMA</b>								
424.7702	FNMA P/T Pool #53915 7.000% Due 04-01-31	101.09	429	118.80	505	0.0	30	5.9
327.8291	FNMA P/T Pool #577462 6.500% Due 04-01-31 Accrued Interest	99.79	327	103.28	339	0.0	21	6.3
			757		843	0.0	51	6.1
<b>TOTAL PORTFOLIO</b>			11,971,364		16,566,393	100.0	370,758	2.2





Schwab One® Account of  
MODESTUS BAUER FOUNDATION

Account Number  
1071-2375

Report Period  
January 1 - December 31,  
2016

## 2016 Year-End Schwab Gain/Loss Report

### Realized Gain or (Loss)

Accounting Method: High Cost

Long-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis		Realized Gain or (Loss)
					Adjusted	Adjusted	
A T & T INC 2.4%16 00206RAY8 DUE 08/15/16:	150,000.0000	02/13/13	08/15/16	\$150,000.00	\$156,723.50		(\$6,723.50)
Security Subtotal				\$150,000.00	\$156,723.50	\$150,000.00	(\$6,723.50)
BANK OF NY MELLON CO: BK	4,000.0000	12/23/13	03/14/16	\$149,640.99	\$137,504.80		\$12,136.19
Security Subtotal				\$149,640.99	\$137,504.80		\$12,136.19
BAXALTA INCORPORATED MERGER ELECTION EXP: 05/20/11: BXLT	2,000.0000	11/14/13	05/04/16	\$62,867.24	\$60,332.43		\$22,534.81
Security Subtotal				\$62,867.24	\$60,332.43		\$22,534.81
BAXTER INTERNATIONAL: BAX	2,000.0000	11/14/13	01/20/16	\$69,095.98	\$74,338.17		(\$5,242.19)
Security Subtotal				\$69,095.98	\$74,338.17		(\$5,242.19)
INTEL CORP: INTC	7,000.0000	11/11/10	09/18/16	\$261,926.74	\$145,458.60		\$116,468.14
Security Subtotal				\$261,926.74	\$145,458.60		\$116,468.14
JOHNSON CONTROLS INC: JCI	4,500.0000	04/27/12	03/03/16	\$169,298.96	\$145,327.95		\$23,971.01
Security Subtotal				\$169,298.96	\$145,327.95		\$23,971.01
MICROSOFT CORP: MSFT	1,500.0000	10/18/00	12/01/16	\$68,677.35	\$36,807.50		\$52,069.85

MODESTUS BAUER FOUNDATION  
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Schwab One® Account of  
**MODESTUS BAUER FOUNDATION**

Account Number  
**1071-2375**

January 1 - December 31,  
**2016**

## 2016 Year-End Schwab Gain/Loss Report

### Realized Gain or (Loss) (continued)

Accounting Method: High Cost

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis		Realized Gain or (Loss)
					Adjusted	Adjusted	
MICROSOFT CORP: MSFT	500.0000	08/17/03	12/01/16	\$29,559.12	\$13,045.00	\$16,514.12	
Security Subtotal				\$118,238.47	\$48,652.50	\$68,585.97	
ORACLE CORPORATION: ORCL	5,000.0000	06/28/10	01/20/16	\$186,166.49	\$113,747.50	\$52,418.99	
Security Subtotal				\$186,166.49	\$113,747.50	\$52,418.99	
PHILIP MORRIS INTL: PM	1,000.0000	02/27/08	04/19/16	\$99,214.49	\$34,150.00	\$65,064.49	
Security Subtotal				\$99,214.49	\$34,150.00	\$65,064.49	
SYSCO CORPORATION: SY	1,000.0000	04/03/09	01/20/16	\$39,201.33	\$23,033.00	\$16,168.33	
Security Subtotal				\$39,201.33	\$23,033.00	\$16,168.33	
WASATCH CORE GROWTH FD INV: WGROX	1,574.6270	12/24/02	12/01/16	\$91,155.16	\$41,916.57	\$49,238.59	
WASATCH CORE GROWTH FD INV: WGROX	152.7870	12/29/14	12/01/16	\$8,844.84	\$8,835.88	\$9.16	
Security Subtotal				\$100,000.00	\$50,752.25	\$49,247.75	

MODESTUS BAUER FOUNDATION  
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Schwab One® Account of  
MODESTUS BAUER FOUNDATION

Account Number  
1071-2376

Report Period  
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2016

## 2016 Year-End Schwab Gain/Loss Report

### Realized Gain or (Loss) (continued)

					Accounting Method: High Cost	
Long-Term (continued)					Cost Basis	Realized Gain or (Loss)
	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Adjusted	Adjusted
WASHINGTON ST 3.4XXX**MATURED** OID TAXBL: 93974CLX6	150,000.0000	03/18/11	08/01/16	\$150,000.00	\$155,514.50	(\$5,514.50)
Security Subtotal				\$150,000.00	\$155,514.50	(\$5,514.50)
Total Long-Term				\$1,555,648.89	\$1,146,535.20	\$409,113.49
Total Realized Gain or (Loss)				\$1,555,648.89	\$1,146,535.20	\$409,113.49

Schwab has provided realized gain/loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. See Terms and Conditions.

Option Customers: Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options.

### Endnotes For Your Account

Symbol Endnote Legend

- a Data for this holding has been edited or provided by the advisor.
- b When available, Adjusted Cost Basis values are used in Gain or (Loss) calculations.

MODESTUS BAUER FOUNDATION  
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CAPITAL GAINS AND LOSSES, 2016  
PART IV, LINE 1b