

Form 990-PF

Return of Private Foundation

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

Do not enter social security numbers on this form as it may be made public.

Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning OCT 1, 2016, and ending SEP 30, 2017

Name of foundation: PROTEUS FOUNDATION C/O YOUNT, HYDE & BARBOUR, P.C.
A Employer identification number: 54-2013543
B Telephone number: 540-662-3417
City or town, state or province, country, and ZIP or foreign postal code: WINCHESTER, VA 22604
G Check all that apply: Initial return, Final return, Address change
H Check type of organization: Section 501(c)(3) exempt private foundation
I Fair market value of all assets at end of year: \$9,045,859
J Accounting method: Accrual

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

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Part II. Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	231,520.	194,832.	194,832.
	2 Savings and temporary cash investments	266,205.	451,884.	451,884.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other	STMT 7	7,154,747.	7,488,569.	8,399,143.
14 Land, buildings, and equipment basis ▶	12,571.			
Less accumulated depreciation	STMT 8 ▶	12,571.		
15 Other assets (describe ▶)	STATEMENT 9	522,942.	0.	0.
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		8,175,414.	8,135,285.	9,045,859.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 28 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	8,175,414.	8,135,285.	
30 Total net assets or fund balances	8,175,414.	8,135,285.		
31 Total liabilities and net assets/fund balances	8,175,414.	8,135,285.		

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	8,175,414.
2 Enter amount from Part I, line 27a	2	-40,129.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	8,135,285.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,135,285.

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

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(e) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	WF - SEE ATTACHED		VARIOUS	06/01/17
b	WF - SEE ATTACHED		VARIOUS	06/01/17
c	WF - SEE ATTACHED		VARIOUS	06/01/17
d	WF - SEE ATTACHED		VARIOUS	06/01/17
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	1,206,183.		1,181,965.	24,218.
b	1,793,266.		1,657,773.	135,493.
c	37,542.		38,797.	-1,255.
d	55,513.		49,475.	6,038.
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			24,218.
b			135,493.
c			-1,255.
d			6,038.
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	164,494.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

**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.

(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	360,089.	8,506,919.	.042329
2014	465,326.	8,743,507.	.053220
2013	519,914.	9,070,732.	.057318
2012	479,640.	8,867,137.	.054092
2011	470,000.	8,410,564.	.055882
2	Total of line 1, column (d)		.262841
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		.052568
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5		8,846,855.
5	Multiply line 4 by line 3		465,061.
6	Enter 1% of net investment income (1% of Part I, line 27b)		3,003.
7	Add lines 5 and 6		468,064.
8	Enter qualifying distributions from Part XII, line 4		320,000.

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	6,007.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	6,007.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	6,007.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	3,600.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	3,600.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,407.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		N/A
5		X
6	X	
7	X	
8a		VA
8b	X	
9		X
10		X

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**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)		X
12. Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13. Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	X	
14. The books are in care of ► <u>CELIA W. RUTT</u> Telephone no. ► <u>540-662-3417</u> Located at ► <u>C/O YHB, P.O. BOX 2560, WINCHESTER, VA</u> ZIP+4 ► <u>22604</u>		
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		
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 ►		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.

	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 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		
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		
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?		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 ► _____, _____, _____		
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.)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input 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.)		X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		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  N/A

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).  N/A

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.**

(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
JAMES P. RUTT C/O YHB / P.O. BOX 2560 WINCHESTER, VA 22604	DIRECTOR 5.00	0.	0.	0.
CELIA W. RUTT C/O YHB / P.O. BOX 2560 WINCHESTER, VA 22604	DIRECTOR 10.00	0.	0.	0.
KATHLEEN L. RUTT C/O YHB / P.O. BOX 2560 WINCHESTER, VA 22604	DIRECTOR 1.00	0.	0.	0.

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

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

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

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

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

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

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

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

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

	Expenses
1	
SEE STATEMENT 10	0.
2	
3	
4	

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

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

	Amount
1 N/A	
2	
3	

All other program-related investments. See instructions.

3	

Total. Add lines 1 through 3 ▶ **0.**

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	8,217,489.
b	Average of monthly cash balances	1b	764,090.
c	Fair market value of all other assets	1c	
d	<b>Total</b> (add lines 1a, b, and c)	1d	8,981,579.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	8,981,579.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	134,724.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,846,855.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	442,343.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	442,343.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	6,007.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	6,007.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	436,336.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	436,336.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	436,336.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	320,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	320,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	320,000.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.



**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				436,336.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012	39,410.			
c From 2013	76,549.			
d From 2014	41,689.			
e From 2015				
f Total of lines 3a through e	157,648.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 320,000.				
a Applied to 2015, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				320,000.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	116,336.			116,336.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	41,312.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	41,312.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014	41,312.			
d Excess from 2015				
e Excess from 2016				

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

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

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

**2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year				(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
<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).)

**SEE STATEMENT 11**  
**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:  
**CELIA W. RUTT, 540-662-3417**  
**C/O YOUNT, HYDE & BARBOUR, P.C., P.O. BOX 2560, WINCHESTER, VA 22604**

**b** The form in which applications should be submitted and information and materials they should include:  
**WRITTEN REQUEST INCLUDING DETAILS OF PURPOSE AND ESTABLISHED NEED.**

**c** Any submission deadlines:

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

PROTEUS FOUNDATION

Form 990-PF (2016)

C/O YOUNT, HYDE & BARBOUR, P.C.

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**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>				
AMERICAN RED CROSS - CENTRAL VIRGINIA CHAPTER 1105 ROSE HILL DRIVE CHARLOTTESVILLE, VA 22903	NONE	PUBLIC CHARITY	SUPPORT DISASTER RELIEF	25,000.
AMERICAN SHAKESPEARE CENTER 20 SOUTH NEW STREET, 4TH FLOOR STAUNTON, VA 24401	NONE	PUBLIC CHARITY	SUPPORT THEATRES AND EDUCATIONAL PROGRAMS	5,000.
BAKERRIPLEY COMMUNITY DEVELOPERS P.O. BOX 271389 HOUSTON, TX 77277	NONE	PUBLIC CHARITY	SUPPORT HURRICANE RELIEF EFFORTS	10,000.
COMMUNITY FOUNDATION OF CENTRAL BLUE RIDGE P.O. BOX 815 STAUNTON, VA 24402	NONE	PUBLIC CHARITY	FOR SCHOLARSHIP FUND	5,000.
HEIFETZ MUSIC INSTITUTE 107 E BEVERLY STREET STAUNTON, VA 24401	NONE	PUBLIC CHARITY	SUPPORT MUSIC EDUCATION	5,000.
<b>Total</b> SEE CONTINUATION SHEET(S) ▶ 3a				320,000.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b> ▶ 3b				0.

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

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	235,348.	
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	110000	-22,252.			
8 Gain or (loss) from sales of assets other than inventory			18	164,494.	
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)		-22,252.		399,842.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13 377,590.	

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

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

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
7	ORDINARY BUSINESS INCOME FROM ALLEGHANY HIGHLANDS AGRICULTURAL CENTER, LLC A PRIVATELY HELD PARTNERSHIP IN WHICH PROTEUS FOUNDATION HOLDS A 5% INTEREST IN PROFIT, LOSS, AND CAPITAL.

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

		Yes	No
1. Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

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

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

b If "Yes," complete the following schedule.

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

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

Signature of officer or trustee: [Signature] Date: 1/13/2018 Title: Director

May the IRS discuss this return with the preparer shown below (see instr. 7)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>GREGORY S CRAWFORD</b> CPA	Preparer's signature <u>[Signature]</u> <b>GREGORY S CRAWFORD</b>	Date <b>01/12/18</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00357091</b>
	Firm's name ▶ <b>YOUNT, HYDE &amp; BARBOUR, P.C.</b>			Firm's EIN ▶ <b>54-1149263</b>	
	Firm's address ▶ <b>P.O. BOX 2560</b> <b>WINCHESTER, VA 22604-1760</b>			Phone no. <b>540-662-3417</b>	
	Form 990-PF (2016)				

**Part XV** Supplementary Information

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

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
HIGHLAND COUNTY VOLUNTEER RESCUE SQUAD, INC. P.O. BOX 268 MONTEREY, VA 24465	NONE	PUBLIC CHARITY	SUPPORT RESCUE EFFORTS	5,000.
HIGHLAND MEDICAL CENTER, INC. P.O. BOX 490 MONTEREY, VA 24465	NONE	PUBLIC HOSPITAL	SUPPORT COUNTY HEALTH CARE	5,000.
HISTORIC STAUNTON FOUNDATION 20 SOUTH NEW STREET STAUNTON, VA 24401	NONE	PUBLIC CHARITY	SUPPORT HISTORIC RESOURCES	5,000.
HUMANITY PLUS / OPEN COG 5042 WILSHIRE BLVD SUITE 14334 LOS ANGELES, CA 90036	NONE	PUBLIC CHARITY	SUPPORT THE ETHICAL USE OF TECHNOLOGY TO EXPAND HUMAN CAPACITIES	72,000.
MCDOWELL VOLUNTEER FIRE COMPANY 102 BULLPASTURE RIVER ROAD MCDOWELL, VA 24458	NONE	PUBLIC CHARITY	SUPPORT FIRE AND RESCUE EFFORTS	5,000.
MIT SCHOOL OF SCIENCE 77 MASSACHUSETTS AVENUE 6-131 CAMBRIDGE, MA 02139	NONE	PUBLIC CHARITY	SUPPORT HIGHER EDUCATION	40,000.
NEW MEXICO SCHOOL FOR ARTS 275 EAST ALAMEDA SANTA FE, NM 87501	NONE	PUBLIC CHARITY	SUPPORT PUBLIC EDUCATION	7,500.
PROJECT GROWS 16 WEST BEVERLY STREET STAUNTON, VA 24401	NONE	PUBLIC CHARITY	SUPPORT PUBLIC CONSERVATION PROGRAMS	25,000.
SANTA FE INSTITUTE 1399 HYDE PARK ROAD SANTA FE, NM 87501	NONE	PUBLIC CHARITY	FUND INTERDISCIPLINARY SCIENTIFIC RESEARCH	80,500.
SQUIRREL HILL URBAN COALITION 5604 SOLWAY STREET PITTSBURGH, PA 15217	NONE	PUBLIC CHARITY	SUPPORT URBAN INITIATIVES	10,000.
<b>Total from continuation sheets</b>				<b>270,000.</b>

**PROTEUS FOUNDATION**  
**C/O YOUNT, HYDE & BARBOUR, P.C.**

54-2013543

**Part XV Supplementary Information**

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

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
STAUNTON MUSIC FESTIVAL P.O. BOX 3111 STAUNTON, VA 24402	NONE	PUBLIC CHARITY	SUPPORT THE PERFORMANCE OF CHAMBER WORKS THROUGHOUT STAUNTON	5,000.
VIRGINIA TECH FOUNDATION 902 PRICES FORK ROAD BLACKSBURG, VA 24061	NONE	PUBLIC CHARITY	SUPPORT HIGHER EDUCATION	5,000.
WMRA/WEMC NATIONAL PUBLIC RADIO 983 RESERVOIR STREET HARRISONBURG, VA 22801	NONE	PUBLIC CHARITY	SUPPORT COMMUNITY FOCUSED BROADCAST PROGRAMS	5,000.
<b>Total from continuation sheets</b>				

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
ALLEGHENY HIGHLANDS	6.	0.	6.	6.	
FRONTIER BANK	564.	0.	564.	564.	
PARTNERSHIPS	481.	0.	481.	481.	
WELLS FARGO	234,297.	0.	234,297.	234,297.	
<b>TO PART I, LINE 4</b>	<b>235,348.</b>	<b>0.</b>	<b>235,348.</b>	<b>235,348.</b>	

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
INCOME FROM ALLEGHANY HIGHLANDS AGRICULTURAL CENTER LLC PARTNERSHIP INCOME			
	-1,514.	-1,514.	
	-20,738.	-20,738.	
<b>TOTAL TO FORM 990-PF, PART I, LINE 11</b>	<b>-22,252.</b>	<b>-22,252.</b>	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	16,819.	0.		0.
<b>TO FORM 990-PF, PG 1, LN 16B</b>	<b>16,819.</b>	<b>0.</b>		<b>0.</b>



FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	70,681.	70,681.		0.
TO FORM 990-PF, PG 1, LN 16C	70,681.	70,681.		0.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES ON DIVIDENDS	6,372.	6,372.		0.
FEDERAL EXCISE TAX	3,600.	0.		0.
TO FORM 990-PF, PG 1, LN 18	9,972.	6,372.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS PASSTHROUGH EXPENSES	202.	202.		0.
STATE CORPORATION COMMISSION	25.	0.		0.
BANK FEES	20.	0.		0.
TO FORM 990-PF, PG 1, LN 23	247.	202.		0.

FORM 990-PF OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ALLEGHANY HIGHLANDS AG CENTER LLC	COST	26,883.	26,883.
CANDLEWOOD SPECIAL	COST	0.	0.
WELLS FARGO EQUITIES	COST	4,001,272.	4,783,210.
WELLS FARGO MUTUAL FUNDS	COST	3,338,072.	3,456,273.
WELLS FARGO BONDS	COST	122,342.	132,777.
TOTAL TO FORM 990-PF, PART II, LINE 13		7,488,569.	8,399,143.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER HARDWARE	10,626.	10,626.	0.
COMPUTER	1,945.	1,945.	0.
TOTAL TO FM 990-PF, PART II, LN 14	12,571.	12,571.	0.

FORM 990-PF OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PREPAID FEDERAL EXCISE TAX INVESTMENT SALES PROCEEDS RECEIVABLE	3,213.	0.	0.
TO FORM 990-PF, PART II, LINE 15	519,729.	0.	0.
	522,942.	0.	0.

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FORM 990-PF                      SUMMARY OF DIRECT CHARITABLE ACTIVITIES                      STATEMENT 10

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ACTIVITY ONE

TO SUPPORT LOCAL CHARITIES IN HIGHLAND COUNTY, VIRGINIA AND STAUNTON, VIRGINIA. TO PROMOTE CONSERVATION PROGRAMS AND ACTIVITIES. COMPUTER PROGRAMMING IN SUPPORT OF ACADEMIC RESEARCH IN THE AREA OF COMPLEX ADAPTIVE SYSTEMS. ONCE COMPLETE, PROTEUS PLANS TO PUBLISH SCIENTIFIC PAPERS ON THESE FINDINGS.

EXPENSES

TO FORM 990-PF, PART IX-A, LINE 1

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FORM 990-PF                      PART XV - LINE 1A                      STATEMENT 11  
    LIST OF FOUNDATION MANAGERS

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NAME OF MANAGER

JAMES P. RUTT  
 CELIA W. RUTT  
 KATHLEEN L. RUTT