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EXTENDED TO NOVEMBER 15, 2018

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.

▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

Department of the Treasury Internal Revenue Service

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning , and ending

Name of foundation
ESTHER AND HAROLD MERTZ FOUNDATION
U/A/D JULY 31, 2000, AS AMENDED

A Employer identification number
13-7231616

Number and street (or P O box number if mail is not delivered to street address): %SDTC, 201 S. PHILLIPS AVE — Room/suite: 133

B Telephone number
605-271-5154

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

C If exemption application is pending, check here ▶ ☐

6

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

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

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

04

03 04

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 447,272,787.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	795,498.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	2,183,915.	1,091,948.		
	5a Gross rents	4,307,913.	4,307,913.		
	b Net rental income or (loss) 4,307,913.				
	6a Net gain or (loss) from sale of assets not on line 10	-187,278.			
	b Gross sales price for all assets on line 6a 32,881,000.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	4,282,287.	-7,763.		
	12 Total Add lines 1 through 11	11,382,335.	5,392,098.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	3,276,791.	654,858.		2,458,218.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees	24,395.	0.		24,395.
	b Accounting fees	33,945.	11,315.		11,315.
	c Other professional fees	44,033.	0.		44,033.
	17 Interest				
	18 Taxes	1,700,663.	0.		0.
	19 Depreciation and depletion	9,087,809.	3,601,488.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses	1,487,948.	7,478.		313,884.
	24 Total operating and administrative expenses. Add lines 13 through 23	15,655,584.	4,275,139.		2,851,845.
	25 Contributions, gifts, grants paid	10,899,496.			10,899,496.
	26 Total expenses and disbursements Add lines 24 and 25	26,555,080.	4,275,139.		13,751,341.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-15,172,745.			
	b Net investment income (if negative, enter -0-)		1,116,959.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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ESTHER AND HAROLD MERTZ FOUNDATION

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	438,135.	2,228,193.	2,228,193.
	2 Savings and temporary cash investments	4,735,000.		
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 10	71,300,182.	60,337,444.	59,939,877.
	b Investments - corporate stock			
	c Investments - corporate bonds	867,239.	0.	0.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	612,930,849.	612,533,023.	385,104,717.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	690,271,405.	675,098,660.	447,272,787.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26, and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	690,271,405.	675,098,660.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 **Total net assets or fund balances**	690,271,405.	675,098,660.	
	31 **Total liabilities and net assets/fund balances**	690,271,405.	675,098,660.	

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	690,271,405.
2	Enter amount from Part I, line 27a	2	-15,172,745.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	675,098,660.
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	675,098,660.

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a				
b				
c				
d				
e	32,881,000.		33,068,278.	-187,278.

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

	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				-187,278.

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 — -187,278.

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 doesn't 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))
2016	521,266.	241,944,852.	.002154
2015	9,540.	3,513,250.	.002715
2014	227,612.	3,721,206.	.061166
2013	2,304.	3,580,654.	.000643
2012	3,200.	1,826,271.	.001752

2	**Total** of line 1, column (d)	2	.068430
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	.013686
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	452,557,697.
5	Multiply line 4 by line 3	5	6,193,705.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	11,170.
7	Add lines 5 and 6	7	6,204,875.
8	Enter qualifying distributions from Part XII, line 4	8	13,751,341.

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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ESTHER AND HAROLD MERTZ FOUNDATION

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 ▶ ☐ 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 ▶ [X] and enter 1% of Part I, line 27b			1	11,170.
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	11,170.
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	11,170.
6 Credits/Payments:				
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	108,485.		
b Exempt foreign organizations - tax withheld at source	6b	0.		
c Tax paid with application for extension of time to file (Form 8868)	6c	0.		
d Backup withholding erroneously withheld	6d	0.		
7 Total credits and payments Add lines 6a through 6d			7	108,485.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	0.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	97,315.
11 Enter the amount of line 10 to be: **Credited to 2018 estimated tax** ▶		97,315. Refunded ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		X
If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
If "Yes," attach a detailed description of the activities.			
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
If "Yes," attach the statement required by *General Instruction T*			
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. ▶ NONE			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G*? If "No," attach explanation SEE STATEMENT 12	8b		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	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	11	X	
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ HTTPS://MERTZFOUNDATION.ORG

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

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

			Yes	No
16	At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year, did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		X
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? ☐ Yes ☒ No If "Yes," list the years ▶ ____ , ____ , ____ , ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____ , ____ , ____ , ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☒ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2017 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 2017.)	3b		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b		X

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

			Yes	No
5a During the year, did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	N/A	5b		
Organizations relying on a current notice regarding disaster assistance, check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NANCY L CLOSE 4951 WINDSOR PARK SARASOTA, FL 34235	DIRECTION ADVISOR* 20.00	3274291.	0.	0.
LAVENDER TRUST COMPANY INC 201 S. PHILLIPS AVE, SUITE 133 SIOUX FALLS, SD 57104	TRUSTEE* 10.00	2,500.	0.	0.
* SEE FOOTNOTE REGARDING COMPENSATION	0.00	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

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

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

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

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

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

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	60,728,615.
b	Average of monthly cash balances		1b	13,616,107.
c	Fair market value of all other assets		1c	385,104,717.
d	**Total** (add lines 1a, b, and c)		1d	459,449,439.
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	459,449,439.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	6,891,742.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	452,557,697.
6	**Minimum investment return** Enter 5% of line 5		6	22,627,885.

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	22,627,885.
2a	Tax on investment income for 2017 from Part VI, line 5	2a 11,170.		
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b 810,813.		
c	Add lines 2a and 2b		2c	821,983.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	21,805,902.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	21,805,902.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	21,805,902.

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	13,751,341.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	13,751,341.
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	11,170.
6	***Adjusted qualifying distributions.*** *Subtract line 5 from line 4*	6	13,740,171.

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				21,805,902.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			10,648,168.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2017				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2017 from Part XII, line 4: ▶$ 13,751,341.				
a Applied to 2016, but not more than line 2a			10,648,168.	
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 2017 distributable amount				3,103,173.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount - see instr			0.	
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				18,702,729.
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 2012 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2018** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016				
e Excess from 2017				

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 2017, enter the date of the ruling ▶

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

	Tax year (a) 2017	Prior 3 years (b) 2016	(c) 2015	(d) 2014	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

SEE MERTZFOUNDATION.ORG

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

IN ACCORDANCE WITH WEBSITE

c Any submission deadlines:

IN ACCORDANCE WITH WEBSITE

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

IN ACCORDANCE WITH WEBSITE

Part XV Supplementary Information *(continued)*

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
FLOW THROUGH FROM PARTNERSHIP K-1 FROM 2015 LAVENDER HOLDINGS LLC 445 PARK AVENUE, 18TH FL NEW YORK, NY 10022	NONE	PC	FLOW THROUGH	24,496.
HELEN KELLER SERVICES FOR THE BLIND 57 WILOUGHBY STREET BROOKLYN, NY 11201	NONE	PC	TO ASSIST DEAF-BLIND YOUTHS	110,000.
HEROES TO HEROES FOUNDATION 96 LINWOOD PLAZA #305 FORT LEE, NJ 07024	NONE	PC	TO PROVIDE SPIRITUAL HEALING AND PEER SUPPORT PROGRAMS FOR VETERANS	225,000.
HOPE FOR NEW YORK 1166 AVE OF AMERICAS, SUITE 1610 NEW YORK, NY 10036	NONE	PC	TO SERVE NEW YORK'S MOST MARGINALIZED RESIDENTS INCLUDING AT RISK YOUTH AND THE HOMELESS	530,000.
LONG ISLAND ALZHEIMER'S FOUNDATION 5 CHANNEL DRIVE PORT WASHINGTON, NY 11050	NONE	PC	TO IMPROVE QUALIFY OF LIFE FOR INDIVIDUALS LIVING WITH ALZHEIMER'S DISEASE	210,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	10,899,496.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	2,183,915.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property			34	4,307,913.	
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income	900099	4,295,374.	18	-13,087.	
8 Gain or (loss) from sales of assets other than inventory			18	-187,278.	
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)		4,295,374.		6,291,463.	0.
13 Total Add line 12, columns (b), (d), and (e)				13	10,586,837.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (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) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Sign Here

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

LAVENDER TRUST CO. INC. BY X [signature] NOV 9/18 ▶ PRESIDENT

Signature of officer or trustee — Date — Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WARSHAW, HOWARD K	Howard Warshaw	11/8/18		P00082352

Firm's name ▶ MARKS PANETH LLP — Firm's EIN ▶ 11-3518842

Firm's address ▶ 685 THIRD AVENUE NEW YORK, NY 10017 — Phone no. 212-503-8800

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	500,000 SHS AMGEN INC	P	02/06/17	05/15/17
b	1,000,000 SHS BANK NOVA SCOTIA	P	03/17/17	12/18/17
c	500,000 SHS BANK OF MONTREAL	P	12/08/16	01/11/17
d	366,000 SHS BEAR STEARNS CO	P	12/01/16	01/23/17
e	1,000,000 SHS CITIGROUP INC	P	03/17/17	08/14/17
f	1,000,000 SHS CORNING INC	P	03/17/17	11/15/17
g	1,000,000 SHS JPMORGAN CHASE CO	P	02/15/17	08/15/17
h	300,000 SHS U.S. BANCORP	P	02/06/17	04/17/17
i	505,000 SHS ALLEGHENY ARPT BE 5000	D	10/15/14	01/03/17
j	1,180,000 SHS BAYONNE NJ BE 4000	D	07/24/14	07/17/17
k	290,000 SHS BEAUFORT CNTY BE 5000	D	10/16/14	03/01/17
l	2,000,000 SHS CALIFORNIA ST GO BE 5000	D	10/06/15	10/02/17
m	3,410,000 SHS CHICAGO ARPT-B BE 5250	D	07/23/14	01/03/17
n	500,000 SHS CT HLTH EDL-I BE 5000	D	10/28/15	07/03/17
o	1,000,000 SHS GEORGIA ST BE 5000	D	10/06/14	01/03/17

	(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	500,000.		500,000.	0.
b	1,000,000.		1,000,000.	0.
c	500,000.		500,000.	0.
d	366,000.		366,000.	0.
e	1,000,000.		1,000,000.	0.
f	1,000,000.		1,000,000.	0.
g	1,000,000.		1,000,000.	0.
h	300,000.		300,152.	-152.
i	505,000.		505,000.	0.
j	1,180,000.		1,180,000.	0.
k	290,000.		290,000.	0.
l	2,000,000.		2,000,000.	0.
m	3,410,000.		3,410,000.	0.
n	500,000.		500,000.	0.
o	1,000,000.		1,000,000.	0.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				0.
b				0.
c				0.
d				0.
e				0.
f				0.
g				0.
h				-152.
i				0.
j				0.
k				0.
l				0.
m				0.
n				0.
o				0.

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

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	1,350,000 SHS GLENDALE ARIZONA BE 5000	D	12/21/15	07/03/17
b	660,000 SHS HARTFORD CONNECTICUT	D	10/17/14	10/02/17
c	1,000,000 SHS KING S/D-401 BE 5000	D	10/02/15	12/01/17
d	550,000 SHS LINWOOD NJ BE 3000	D	09/16/15	07/17/17
e	1,360,000 SHS MASSACHUSETTS BE 1020	D	05/16/16	06/08/17
f	2,225,000 SHS MO ST HWYS	D	08/06/14	05/01/17
g	1,000,000 SHS MO ST HWYS	D	08/20/14	05/01/17
h	185,000 SHS MTA COMMUTER-O BE 5500	D	08/05/14	07/03/17
i	500,000 SHS NJ ECON DEV	D	09/15/15	09/01/17
j	500,000 SHS N.E. ISD TEX BE 5000	D	01/05/16	08/01/17
k	1,060,000 SHS NORTH CAROLINA BE 5000	D	09/10/14	05/01/17
l	500,000 SHS OKLAHOMA TRANS BE 4000	D	01/05/16	03/08/17
m	1,300,000 SHS PA ST GO BE 5000	D	08/21/14	03/01/17
n	1,300,000 SHS PA ST GO BE 5000	D	09/02/14	03/01/17
o	1,250,000 SHS SALES TAX ASSE BE 5000	D	09/15/15	10/16/17

	(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	1,350,000.		1,350,000.	0.
b	660,000.		660,000.	0.
c	1,000,000.		1,000,000.	0.
d	550,000.		550,000.	0.
e	1,360,000.		1,360,000.	0.
f	2,225,000.		2,225,000.	0.
g	1,000,000.		1,000,000.	0.
h	185,000.		185,000.	0.
i	500,000.		500,000.	0.
j	500,000.		500,000.	0.
k	1,060,000.		1,060,000.	0.
l	500,000.		500,000.	0.
m	1,300,000.		1,300,000.	0.
n	1,300,000.		1,300,000.	0.
o	1,250,000.		1,250,000.	0.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				0.
b				0.
c				0.
d				0.
e				0.
f				0.
g				0.
h				0.
i				0.
j				0.
k				0.
l				0.
m				0.
n				0.
o				0.

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

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr.)	(d) Date sold (mo., day, yr)
1a	1,440,000 SHS SAN FRAN TRAN BE 5000	D	10/29/15	08/01/17
b	500,000 SHS UNIVERSITY AKR BE 330	D	06/18/14	01/03/17
c	1,150,000 SHS WASHINGTON ST BE 5250	D	09/25/15	11/01/17
d	500,000 SHS MASSACHUSETTS BE 1020	D	09/18/15	06/08/17
e	FLOW THROUGH FROM PCH K-1			
f	FLOW THROUGH FROM PCH K-1			
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,440,000.		1,440,000.	0.
b	500,000.		500,000.	0.
c	1,150,000.		1,150,000.	0.
d	500,000.		500,000.	0.
e			16,273.	-16,273.
f			170,853.	-170,853.
g				
h				
i				
j				
k				
l				
m				
n				
o				

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

	(i) F M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Losses (from col. (h)) Gains (excess of col (h) gain over col. (k), but not less than "-0-")
a				0.
b				0.
c				0.
d				0.
e				-16,273.
f				-170,853.
g				
h				
i				
j				
k				
l				
m				
n				
o				

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	-187,278.
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

723591
04-01-17

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
THE BANQUET 900 E 8TH ST SIOUX FALLS, SD 57103	NONE	PC	TO PROVIDE FOOD AND FELLOWSHIP TO THE COMMUNITY	10,000.
TOP HONORS, INC. P.O. BOX 7473 NEW YORK, NY 10116	NONE	PC	TO HELP CHILDREN IMPROVE THEIR MATH AND CRITICAL THINKING ABILITIES	100,000.
STEPHEN SILLER TUNNEL TO TOWERS FOUNDATION 2361 HYLAN BLYD STATEN ISLAND, NY 10306	NONE	PC	TO HONOR THE SACRIFICE OF FIREFIGHTER STEPHEN SILLER WHO LAID DOWN HIS LIFE TO SAVE OTHERS ON 9/11	1,545,000.
FREEDOM ALLIANCE 22570 MARKEY COURT, SUITE 240 DULLES, VA 20166	NONE	PC	TO ADVANCE THE AMERICAN HERITAGE OF FREEDOM BY HONORING MILITARY SERVICE	135,000.
RESTORE NYC P.O. BOX 1003, BOWLING GREEN STATION NEW YORK, NY 10274	NONE	PC	TO END SEX TRAFFICKING IN NEW YORK	105,000.
PINES OF SARASOTA 1501 N. ORANGE AVENUE SARASOTA, FL 34236	NONE	PC	TO OFFER INDIVIDUALS A FULFILLING LIFE IN REHABILITATION	7,745,000.
I HAVE A DREAM FOUNDATION 322 8TH AVENUE, SUITE 202 NEW YORK, NY 10001	NONE	PC	TO EMPOWER CHILDREN FROM LOW-INCOME COMMUNITIES TO SUCCEED IN SCHOOL	50,000.
AMERICA'S VETDOGS 371 EAST JERICHO TURNPIKE SMITHTOWN, NY 11787-2976	NONE	PC	TO PROVIDE ENHANCED MOBILITY AND RENEWED INDEPENDENCE TO VETERANS	75,000.
GUIDE DOG FOUNDATION FOR THE BLIND, INC. 371 EAST JERICHO TURNPIKE SMITHTOWN, NY 11787-2976	NONE	PC	TO IMPROVE THE QUALITY OF LIFE FOR PEOPLE WHO ARE BLIND	25,000.
FURNITURE MISSION 209 N. NESMITH SIOUX FALLS, SD 57103	NONE	PC	TO PROVIDE THOSE IN NEED WITH GENTLY USED FURNITURE AND HOUSEHOLD ITEMS.	10,000.
Total from continuation sheets				9,800,000.

723631
04-01-17

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

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2017

Name of the organization	Employer identification number
ESTHER AND HAROLD MERTZ FOUNDATION U/A/D JULY 31, 2000, AS AMENDED	13-7231616

Organization type (check one).

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions.

General Rule

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

Special Rules

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

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

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc , contributions totaling $5,000 or more during the year ▶ $ ____________

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
ESTHER AND HAROLD MERTZ FOUNDATION U/A/D JULY 31, 2000, AS AMENDED	13-7231616

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	THE LAVENDER TRUST 201 SOUTH PHILLIPS AVE, STE 133 SIOUX FALLS, SD 57104	$ 440,780.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
2	THE LAVENDER TRUST 201 SOUTH PHILLIPS AVE, STE 133 SIOUX FALLS, SD 57104	$ 354,718.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)

Name of organization: ESTHER AND HAROLD MERTZ FOUNDATION U/A/D JULY 31, 2000, AS AMENDED

Employer identification number: 13-7231616

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
2	FLOW THROUGH ADJ. TO ASSET VALUES RECEIVED IN 2016 FROM 80.9267% INTEREST IN 2015 LAVENDER HOLDINGS	$ 354,718.	12/31/17

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

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

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

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

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

Name of organization: ESTHER AND HAROLD MERTZ FOUNDATION U/A/D JULY 31, 2000, AS AMENDED

Employer identification number: 13-7231616

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

Use duplicate copies of Part III if additional space is needed

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
2015 LAVENDER HOLDINGS LLC	669,608.	0.	669,608.	669,608.	
2015 LAVENDER HOLDINGS LLC	206,870.	0.	206,870.	206,870.	
2015 LAVENDER HOLDINGS LLC - TE INTEREST	403,802.	0.	403,802.	0.	
MORGAN STANLEY - ACCRUED INTEREST	-14,309.	0.	-14,309.	-14,309.	
MORGAN STANLEY - ACQUISITION PREMIUM	-4,131.	0.	-4,131.	0.	
MORGAN STANLEY - DIVIDEND	65,405.	0.	65,405.	65,405.	
MORGAN STANLEY - INTEREST	82,395.	0.	82,395.	82,395.	
MORGAN STANLEY - INTEREST PREMIUM	-12,457.	0.	-12,457.	-12,457.	
MORGAN STANLEY - MUNICIPAL BOND INTEREST PAID	1,894,109.	0.	1,894,109.	0.	
MORGAN STANLEY - MUNICIPAL BOND INTEREST PAID	-1,205,944.	0.	-1,205,944.	0.	
MORGAN STANLEY - OTHER INCOME	289.	0.	289.	289.	
MORGAN STANLEY - TAX EXEMPT OID	4,131.	0.	4,131.	0.	
MORGAN STANLEY - US INTEREST	94,147.	0.	94,147.	94,147.	
TO PART I, LINE 4	2,183,915.	0.	2,183,915.	1,091,948.	

FORM 990-PF RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
RENTAL INCOME FROM 2015 LAVENDER HOLDINGS LLC	1	4,307,913.
TOTAL TO FORM 990-PF, PART I, LINE 5A		4,307,913.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
2015 LAVENDER HOLDINGS LLC - ORDINARY INCOME	4,290,050.	0.	
2015 LAVENDER HOLDINGS LLC - SEC 1231 LOSS	-7,763.	-7,763.	
TOTAL TO FORM 990-PF, PART I, LINE 11	4,282,287.	-7,763.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	24,395.	0.		24,395.
TO FM 990-PF, PG 1, LN 16A	24,395.	0.		24,395.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	33,945.	11,315.		11,315.
TO FORM 990-PF, PG 1, LN 16B	33,945.	11,315.		11,315.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	44,033.	0.		44,033.
TO FORM 990-PF, PG 1, LN 16C	44,033.	0.		44,033.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	1,700,663.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,700,663.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS EXPENSES	12,822.	3,205.		8,334.
ADMINISTRATIVE EXPENSES	17,093.	4,273.		11,110.
LAVENDER HOLDINGS K-1 EXPENSES ON BOOK NOT ON RETURN	1,163,593.	0.		0.
INSURANCE EXPENSES	14,440.	0.		14,440.
EXPENSE REIMBURSEMENT TO LAVENDER TRUST CO	280,000.	0.		280,000.
TO FORM 990-PF, PG 1, LN 23	1,487,948.	7,478.		313,884.

FOOTNOTES STATEMENT 9

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

NAME AND ADDRESS OF CONTROLLED ENTITY
2015 LAVENDER HOLDINGS LLC
445 PARK AVE, 18TH FL

NEW YORK NY

EIN 81-2443775

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

FOOTNOTE TO 990 PF PART XV QUESTION 3

DONATION TO RECIPIENT STEPHEN SILLER TUNNEL TO TOWERS FOUNDATION INCLUDES 8.96 ACRES OF RAW LAND, ON WHICH HOME FOR ELIGIBLE DISABLED VETERAN WILL BE CONSTRUCTED, IN ACCORDANCE WITH RECIPIENT'S MISSION.

THE BOOK VALUE OF THE CONTRIBUTED PROPERTY - $160,000

THE METHOD USED TO DETERMINE THE BOOK VALUE - APPRAISAL AT TIME LAND RECEIVED BY THE FOUNDATION

THE METHOD USED TO DETERMINE THE FAIR MARKET VALUE-APPRAISAL AT TIME OF THE DONATION

THE DATE OF THE GIFT - 12/21/17

FOOTNOTE TO FORM 990 PF, PART VIII, LINE 1

NANCY CLOSE, AS DIRECTION ADVISOR, WAS PAID COMPENSATION IN 2017 FOR SERVING AS DIRECTION ADVISOR IN BOTH 2016 AND 2017 BASED ON AN EXTERNAL COMPENSATION STUDY COMPLETED IN 2017.

CONSEQUENTLY, THE AMOUNT REPORTED IN PART VIII INCLUDES:

COMPENSATION FOR 2016 SERVICES (8/26/16 TO 12/31/16)	841,444.
COMPENSATION FOR 2017 SERVICES	2,432,847.
TOTAL AS ABOVE	3,274,291.

LAVENDER TRUST COMPANY INC, AS CORPORATE TRUSTEE, CHARGES A BASE FEE OF $2,500 PER ANNUM AND IS REIMBURSED FOR ITS OPERATING EXPENSES ALLOCABLE TO THE FOUNDATION.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL BONDS (INCLUDING ACCRUED INTEREST)		X	30,387,527.	29,985,177.
GOVERNMENT SECURITIES	X		29,949,917.	29,954,700.
TOTAL U.S. GOVERNMENT OBLIGATIONS			29,949,917.	29,954,700.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			30,387,527.	29,985,177.
TOTAL TO FORM 990-PF, PART II, LINE 10A			60,337,444.	59,939,877.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INVESTMENT IN 2015 LAVENDER HOLDINGS LLC	COST	612,533,023.	385,104,717.
TOTAL TO FORM 990-PF, PART II, LINE 13		612,533,023.	385,104,717.

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

EXPLANATION

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

ESTHER AND HAROLD MERTZ FOUNDATION
C/O DIANNE R STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/17
ATTACHMENT TO FORM 990-PF, PART II LINE 10A

MUNICIPAL BONDS

Security Description	Trade Date	Face Value	Orig Unit Cost / Adj Unit Cost	Unit Price	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY REV-B	12/29/15	625,000 000	$109 227	$100.000	$682,668 50			$17,188 00	2.75
Coupon Rate 5.500%, Matures 01/01/2033, CUSIP 452252FD6			$100 000		$625,000.00	**$625,000.00**	$0 00 LT	$17,187 50	

Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer SECONDARY BERKSHIRE HA, Issued 11/18/08, Asset Class FI & Pref

ESTHER AND HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/17
ATTACHMENT TO FORM 990-PF, PART II LINE 10A

Security Description	Trade Date	Face Value	Orig Unit Cost Adj Unit Cost	Unit Price	Orig Total Cost Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income Accrued Interest	Current Yield %
NORTH CAROLINA EASTN MUN PWR AGY PWR SYS REV SER-A	10/6/15	500,000 000	109 601	100 000	548,006 00			12,500 00	2 50
Coupon Rate 5 000%, Matures 01/01/2024, CUSIP 658196U57			100 000		500,000 00	**500,000.00**	0 00 LT	12,500 00	
Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody A3 S&P AA, Insurer SECONDARY ASSURED GUAR, Issued 05/20/08, Asset Class FI & Pref									
NORTH TEX TWY AUTH FIRST TIER REF REV-A	10/15/15	535,000 000	110 622	100 000	591,828 35			15,047 00	2 81
Coupon Rate 5.625%, Matures 01/01/2033, CUSIP 66285WPS9			100 000		535,000.00	**535,000.00**	0 00 LT	15,046.87	
Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody A1, Issued 04/03/08; Asset Class FI & Pref									
NORTH TEX TWY AUTH FIRST TIER REV REF-A	1/5/16	1,000,000.000	109 707	100 000	1,097,074.70			28,750.00	2.87
Coupon Rate 5 750%, Matures 01/01/2048, CUSIP 66285WRC2			100 000		1,000,000 00	**1,000,000.00**	0 00 LT	28,750 00	
Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody AA1 S&P AA+, Insurer SECONDARY BERKSHIRE HA, Issued 04/03/08, Asset Class FI & Pref									
NORTH TEX TWY AUTH REV REF SER-F	9/25/15	500,000 000	111 302	100.000	556,511 00			14,375 00	2 87
Coupon Rate 5 750%, Matures 01/01/2033, CUSIP 66285WDW3			100 000		500,000 00	**500,000.00**	0 00 LT	14,375 00	
Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody A2 S&P A-, Issued 07/30/08, Asset Class FI & Pref									
NORTH TEX TWY AUTH REV TOLL 2ND TIER REF SER-F	1/14/16	700,000 000	109 530	100 000	766,709 00			20,125.00	2 87
Coupon Rate 5.750%, Matures 01/01/2038, CUSIP 66285WDX1			100 000		700,000.00	**700,000.00**	0.00 LT	20,125 00	
Int Semi-Annually Jan/Jul 01, Prerefund at 100 00 01/01/2018, Yield to Call 005%, Federal Tax Exempt, Moody A2 S&P A-, Issued 07/30/08, Asset Class FI & Pref									
NEW YORK ST TWY AUTH STATE PER SONAL INCOME TAX REV	9/18/15	550,000 000	110 664	100 730	608,652 50			13,750 00	2 48
TRANS-A			100 890		554,897 20	**554,015.00**	(882.20) LT	8,097 22	
Coupon Rate 5 000%, Matures 03/15/2018, CUSIP 650028RA3									
Int Semi-Annually Mar/Sep 15, Yield to Maturity 1 417%, Federal Tax Exempt, Escrowed to Maturity, Moody AA1 S&P AAA, Issued 06/16/09, Asset Class FI & Pref									
LAKE JACKSON TEX WTRWKS & SWR REV	11/23/15	715,000.000	107 298	100.736	767,179 55			14,300 00	1 98
Coupon Rate 4 000%, Matures 04/15/2018, CUSIP 510066NH2			100 892		721,377.76	**720,262.40**	(1,115 36) LT	6,037 77	
Int Semi-Annually Apr/Oct 15, Yield to Maturity 1 430%, Federal Tax Exempt, S&P AA-, Issued 05/15/10, Asset Class FI & Pref									
CALIFORNIA ST DEPT WTR RES PWR SUPPLY REV-H	11/23/15	1,055,000 000	110 328	101 207	1,163,955 85			26,375 00	2 47
Coupon Rate 5 000%, Matures 05/01/2022, CUSIP 13066YTC3			101 428		1,070,060 22	**1,067,733.85**	(2,326 37) LT	8,791 66	
Int Semi-Annually May/Nov 01, Prerefund at 100 00 05/01/2018, Yield to Call 1 351%, Federal Tax Exempt, Moody AA1 S&P AA, Insurer AGMC FORMERLY FSA, Issued 03/20/08, Asset Class FI & Pref									
NEW YORK CITY TRANS FIN AUTH F UTURE TAX SECD REV-F	10/28/15	500,000 000	110 466	101 191	552,331 00			12,500 00	2 47
SUBSER F1			101 408		507,038.29	**505,955.00**	(1,083.29) LT	4,166 66	
Coupon Rate 5 000%, Matures 05/01/2024, CUSIP 64971QUK7									
Int Semi-Annually May/Nov 01, Prerefund at 100 00 05/01/2018, Yield to Call 1 399%, Federal Tax Exempt, Moody AA1 S&P AAA, Issued 06/19/12, Asset Class FI & Pref									
ROCKINGHAM CNTY N H	1/12/16	760,000 000	107 392	100 949	816,177 60			15,200 00	1 98
Coupon Rate 4 000%, Matures 05/15/2018, CUSIP 773420KW3			101 188		769,026 24	**767,212.40**	(1,813 84) LT	3,884 44	
Int Semi-Annually May/Nov 15, Yield to Maturity 1 430%, Federal Tax Exempt, Moody AA1, Issued 07/17/13, Asset Class FI & Pref									
PENNSYLVANIA ST TPK COMMN TPK REV SER-B-1	3/9/16	600,000 000	110 567	101 691	663,402 00			16,875 00	2 76
Coupon Rate 5 625%, Matures 06/01/2030, CUSIP 709223TX9			102 002		612,013.13	**610,146.00**	(1,867 13) LT	2,812.49	
Int Semi-Annually Jun/Dec 01, Prerefund at 100 00 06/01/2018, Yield to Call 1 533%, Federal Tax Exempt, Moody A3 S&P A-, Issued 07/30/08, Asset Class FI & Pref									
UINTAH CNTY UTAH MUN BLDG AUTH LEASE REV	1/5/16	815,000 000	111 134	101 619	905,739 95			22,413 00	2 70
Coupon Rate 5 500%, Matures 06/01/2037, CUSIP 903623BM7			101 950		830,890 59	**828,194.85**	(2,695 74) LT	3,735 41	

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ESTHER AND HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN: 13-7231616
FYE 12/31/17
ATTACHMENT TO FORM 990-PF, PART II LINE 10A

Security Description	Trade Date	Face Value	Orig Unit Cost / Adj Unit Cost	Unit Price	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
Int Semi-Annually Jun/Dec 01, Prerefund at 100 00 06/01/2018, Yield to Call 1 582%, Federal Tax Exempt, S&P A+, Issued 07/31/08, Asset Class FI & Pref									
NEW YORK CITY GENL OBLIG FISCAL SERIES-J	3/31/16	495,000.000	109 772	102 052	543,372 45			24,750 00	4 89
Coupon Rate 5 000%, Matures 08/01/2018, CUSIP 64966KYR8			102.470		507,226 11	**505,157.40**	(2,068.71) LT	10,312 50	
Int Semi-Annually Feb/Aug 01, Yield to Maturity 1 452%, Federal Tax Exempt, Moody AA2 S&P AA, Issued 06/11/13, Asset Class FI & Pref									
OREGON ST GENL OBLIG HIGHER ED-B OREGON UNIV SYS	10/29/15	500,000.000	111 621	102 034	558,106 00			25,000 00	4 90
Coupon Rate 5 000%, Matures 08/01/2023, CUSIP 68608KTU2			102 488		512,442 45	**510,170.00**	(2,272 45) LT	10,416 66	
Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2018, Yield to Call 1 483%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 03/18/09, Asset Class FI & Pref									
VIRGINIA ST PUB BLDG AUTH PUB FACS REV SER-B	9/28/15	2,045,000 000	112 625	102 207	2,303,187 25			107,363 00	5.13
Coupon Rate 5 250%, Matures 08/01/2023, CUSIP 928172RF4			102 620		2,098,582 81	**2,090,133.15**	(8,449 66) LT	44,734 37	
Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2018, Yield to Call 1 435%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 12/11/08, Asset Class FI & Pref									
MASON CNTY WASH PUB UTIL DIST NO 003 ELE	9/15/15	1,100,000.000	109.351	102 280	1,202,856 00			44,000.00	3.91
Coupon Rate 4 000%, Matures 12/01/2018, CUSIP 575175HR8			102 707		1,129,774 70	**1,125,080.00**	(4,694 70) LT	3,666 66	
Int Semi-Annually Jun/Dec 01, Yield to Maturity 1 485%, Federal Tax Exempt, Moody AA3 S&P A+, Issued 11/15/12, Asset Class FI & Pref									
BUFFALO N Y	2/5/16	500,000 000	113 055	104 196	565,276 00			25,000 00	4 79
Coupon Rate 5 000%, Matures 04/01/2019, CUSIP 119677LP5			105 210		526,048 04	**520,980.00**	(5,068 04) LT	6,250 00	
Int Semi-Annually Apr/Oct 01, Yield to Maturity 1 594%, Federal Tax Exempt, Moody A1 S&P A+, Issued 04/29/14, Asset Class FI & Pref									
CONNECTICUT ST GENL OBLIG SER-A SIFMA INDEX BONDS	3/28/16	1,000,000 000	101.001	100.843	1,010,006 00			17,200.00	1 70
Coupon Rate 1 720%, Matures 04/15/2019, CUSIP 20772JEU2			100 429		1,004,287.15	**1,008,430.00**	4,142 85 LT	1,386.77	
Interest Paid Monthly Jan 01, Yield to Maturity 1 059%, Floater, Federal Tax Exempt, Moody A1 S&P A+, Issued 04/26/12, Asset Class FI & Pref									
NEW YORK NY CITY HSG DEV CORP MULTIFAMILY HSG REV-D-1	10/20/15	2,650,000 000	100 942	100 003	2,674,969.00			43,725 00	1 64
Coupon Rate 1 650%, Matures 05/01/2019, CUSIP 64972CLU5			100 000		2,650,000 00	**2,650,079.50**	79 50 LT	7,287 50	
Int Semi-Annually May/Nov 01, Callable $100 00 on 01/29/18, Yield to Call 1 600%, Federal Tax Exempt, Moody AA2 S&P AA+, Issued 06/25/15, Asset Class FI & Pref									
MASSACHUSETTS WTR RESOURCES AUTH GENL REV REF SER-B	5/16/16	1,000,000 000	113.357	105 372	1,133,566 00			50,000 00	4 74
Coupon Rate 5.000%, Matures 08/01/2034, CUSIP 5760497X2			106 649		1,066,486 02	**1,053,720.00**	(12,766.02) LT	20,833 33	
Int Semi-Annually Feb/Aug 01, Prerefund at 100 00 08/01/2019, Yield to Call 1 551%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 02/19/09, Asset Class FI & Pref									
CONNECTICUT ST HEALTH & EDL FACS AUTH R VARIABLE REV-A	10/13/15	3,000,000 000	101 530	99.997	3,045,906 00			41,250.00	1.37
Coupon Rate 1 375%, Matures 07/01/2035, CUSIP 20774YWE3			100 000		3,000,000 00	**2,999,910.00**	(90 00) LT	20,625 00	
Int Semi-Annually Jan/Jul 01, Yield to Maturity 1 375%, Floater, Federal Tax Exempt, Moody AAA S&P AAA, Issued 07/01/15, Asset Class FI & Pref									
ILLINOIS EDL FACS AUTH REV UNIV CHICAGO SER B-1	10/28/15	2,000,000 000	100 677	99 944	2,013,546 00			22,000 00	1 10
VARIABLE			100 613		2,012,262 43	**1,998,880.00**	(13,382 43) LT	11,000 00	
Coupon Rate 1.100%, Matures 07/01/2036, CUSIP 4520013L2									
Int Semi-Annually Jan/Jul 01, Yield to Maturity 1 103%, Callable Extraordinary, Floater, Federal Tax Exempt; Moody AA2 S&P AA-, Issued 10/04/01, Asset Class FI & Pref									
HOUSTON INDEPT SCH DIST VAR RATE LD TAX SER-B ID	6/1/16	1,000,000.000	100 674	99.465	1,006,736 00			13,750.00	1.38
02-01-13			100 324		1,003,239 07	**994,650.00**	(8,589 07) LT	1,145 83	
Coupon Rate 1 375%, Matures 06/01/2037, CUSIP 442403JN2									
Int Semi-Annually Jun/Dec 01, Yield to Maturity 1 407%, Floater, Federal Tax Exempt, Moody AAA S&P AAA, Issued 06/01/16, Asset Class FI & Pref									

ESTHER AND HAROLD MERTZ FOUNDATION
C/O DIANNE R. STADTFELD SDTC LLC
EIN· 13-7231616
FYE 12/31/17
ATTACHMENT TO FORM 990-PF. PART II LINE 10A

Security Description	Trade Date	Face Value	Orig Unit Cost / Adj Unit Cost	Unit Price	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
NORTH TEXAS TOLLWAY AUTH SYS FIRST TIER VAR REV REF-C	7/18/16	2,300,000.000	100 000	100 280	2,300,006 00			54,740 00	2 37
SIFMA			100 000		2,300,003 08	**2,306,440.00**	6,436 92 LT	4,413 77	
Coupon Rate 2 380%, Matures 01/01/2038, CUSIP 66285WLV6									
Interest Paid Monthly Jan 01, Callable $100 00 on 07/01/19, Yield to Call 2 189%, Floater, Federal Tax Exempt, Moody A1 S&P A, Issued 12/18/14, Asset Class FI & Pref									
NORTHSIDE TEX INDPT SCH DIST SCH BLDG VAR PSF-GTD	11/13/15	3,000,000.000	101 309	99 994	3,039,276.00			49,500.00	1.65
06-01-15			100 286		3,008,576 73	**2,999,820.00**	(8,756 73) LT	20,625.00	
Coupon Rate 1 650%, Matures 08/01/2045, CUSIP 66702RJE3									
Int Semi-Annually Feb/Aug 01, Yield to Maturity 1 650%, Callable Extraordinary, Floater, Federal Tax Exempt, Moody AAA, Issued 07/09/15, Asset Class FI & Pref									

	Percentage of Holdings	Face Value	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
MUNICIPAL BONDS		**29,445,000.000**	**$31,117,044.70**			**$747,676.00**	**2.52%**
			$29,744,232.02	**$29,676,969.55**	**$(67,262.47) LT**	**$308,207.41**	
TOTAL MUNICIPAL BONDS (includes accrued interest)	**48.36%**			**$29,985,176.96**			

GOVERNMENT SECURITIES

TREASURY SECURITIES

Security Description	Trade Date	Face Value	Orig Unit Cost / Adj Unit Cost	Unit Price	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
UNITED STATES TREASURY BILL	12/20/17	30,000,000 000	$99 833	$99 849	$29,949,916 50			—	—
Zero Coupon, Matures 02/15/2018, CUSIP 912796NS4			$99.833		$29,949,916.50	**$29,954,700.00**	$4,783 50 ST	—	
Issued 08/17/17, Asset Class FI & Pref									

	Percentage of Holdings	Face Value	Orig Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Est Ann Income / Accrued Interest	Current Yield %
GOVERNMENT SECURITIES		**30,000,000.000**	**$29,949,916.50**			—	—
	48.31%		**$29,949,916.50**	**$29,954,700.00**	**$4,783.50 ST**	—	

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