

2949107603215 8

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

OMB No. 1545-0052

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

For calendar year 2017 or tax year beginning

, 2017, and ending

, 20

Name of foundation

Karlgaard Family Foundation

Number and street (or P.O. box number if mail is not delivered to street address)

Room/suite

5 Clarks Branch Road

City or town, state or province, country, and ZIP or foreign postal code

Great Falls, VA 22066

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation **04**
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ **13,955,601**
 J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
 (Part I, column (d) must be on cash basis.)

A Employer identification number

31-1810538

B Telephone number (see instructions)

7032728473

C If exemption application is pending, check here ▶ ☐ **6**D 1. Foreign organizations, check here . . . ▶ ☐2. Foreign organizations meeting the 85% test, check here and attach computation . . . ▶ ☐E If private foundation status was terminated under section 507(b)(1)(A), check here . . . ▶ ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . ▶ ☐**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	980,472			
	2	Check ☐ if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	416	416		
	4	Dividends and interest from securities	359,585	359,585		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		608,070		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
Operating and Administrative Expenses	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	Total. Add lines 1 through 11	1,340,473	968,071		
	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	5,475	5,475		5,475
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	2,421	2,421		2,421
	22	Printing and publications				
	23	Other expenses (attach schedule)	25	25		25
	24	Total operating and administrative expenses. Add lines 13 through 23	7,921	7,921		7,921
	25	Contributions, gifts, grants paid	613,069			613,069
	26	Total expenses and disbursements. Add lines 24 and 25	620,990	7,921		620,990
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	719,483			
	b	Net investment income (if negative, enter -0-)		960,150		
	c	Adjusted net income (if negative, enter -0-)				

RECEIVED

MAR 12 2018

OGDEN, UT

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 11289X

Form **990-PF** (2017)

SCANNED APR 9 2018

116

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash—non-interest-bearing					
	2 Savings and temporary cash investments	173,412	22,146	22,146		
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)					
	7 Other notes and loans receivable (attach schedule) ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments—U.S. and state government obligations (attach schedule)					
	b Investments—corporate stock (attach schedule)	5,393,276	6,707,096	13,933,455		
	c Investments—corporate bonds (attach schedule)					
	11 Investments—land, buildings, and equipment: basis ▶					
Less: accumulated depreciation (attach schedule) ▶						
12 Investments—mortgage loans						
13 Investments—other (attach schedule)						
14 Land, buildings, and equipment: basis ▶						
Less: accumulated depreciation (attach schedule) ▶						
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	5,566,688	6,729,242	13,955,601			
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable	165,000				
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule)					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)	165,000				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☐					
	27 Capital stock, trust principal, or current funds					
	28 Paid-in or capital surplus, or land, bldg., and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds	5,401,688	6,729,242			
	30 Total net assets or fund balances (see instructions)	5,401,688	6,729,242			
	31 Total liabilities and net assets/fund balances (see instructions)	5,401,688	6,729,242			

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,401,688
2 Enter amount from Part I, line 27a	2	718,177
3 Other increases not included in line 2 (itemize) ▶ Capital Gain Net Income	3	608,070
4 Add lines 1, 2, and 3	4	6,729,241
5 Decreases not included in line 2 (itemize) ▶ Rounding	5	1
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	6,729,242

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 See Attachment (7 Positions Sold)				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))	
a 2,117,350		1,509,260	608,070	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	608,091
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8			3	

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

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

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

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.

(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	481,915	9,745,513	.049
2015	553,938	10,890,059	.051
2014	458,184	9,082,843	.050
2013	343,745	6,963,722	.049
2012	293,076	6,191,269	.047
2 Total of line 1, column (d)			2 .247
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 .049
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			4 12,322,977
5 Multiply line 4 by line 3			5 609,890
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 9,602
7 Add lines 5 and 6			7 619,492
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 620,990

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 ☒ and enter 1% of Part I, line 27b	1	9,602
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	9,602
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	9,602
6	Credits/Payments:		
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	
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	0
8	Enter any penalty for underpayment of estimated tax. Check here ☐ 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	9,602
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 2018 estimated tax ☐ Refunded ☐	11	

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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition 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?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by <i>General Instruction T</i> .		✓
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?	✓	
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	✓	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. ▶ Virginia		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No," attach explanation	✓	
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		✓ 2
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	✓	

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		✓
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	✓	
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	✓	
14 The books are in care of ► <u>David C. Karlgaard</u> Telephone no. ► <u>7032728473</u> Located at ► <u>5 Clarks Branch Road, Great Falls, VA</u> ZIP+4 ► <u>22066</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		15
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? 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 Organizations relying on a current notice regarding disaster assistance, check here	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1c	
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 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 ► 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☐ No		
b If "Yes," did it have excess business holdings in 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	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b	

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

5a	During the year, did the foundation pay or incur any amount to:		Yes	No
(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		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?	☐ 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	✓
	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?		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. See instructions.**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
David C. Karlgaard				
5 Clarks Branch Road, Great Falls, VA 22066	Pres & Treas (2)	0	0	1,211
Marilyn E. Karlgaard				
5 Clarks Branch Road, Great Falls, VA 22066	VP & Sec (2)	0	0	1,210
Joanna V. Karlgaard				
2700 Remington Avenue, #520, Baltimore, MD 21211	Asst VP (<1)	0	0	0
Christopher D. Karlgaard				
8108 Wrenfield Drive, Williamsburg, VA 23188	Asst VP (<1)	0	0	0

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 George Washington University Computer Science Scholarships (2), Computer Engineering Scholarships (2), Professorship (1)	200,000
2 University of Wisconsin Eau Claire Foundation Computer Science Scholarships (15), Math Scholarships (2), Physics Scholarships (2), Teaching Awards (10)	367,019
3 INOVA Health Care Foundation Nursing Scholarships (3)	22,500
4 University of California San Francisco Research on Artificial Kidney	22,500

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ▶	

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	12,304,205
b	Average of monthly cash balances	1b	206,432
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	12,510,637
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	12,510,637
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	187,660
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,322,977
6	Minimum investment return. Enter 5% of line 5	6	616,149

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	616,149
2a	Tax on investment income for 2017 from Part VI, line 5	2a	9,602
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	9,602
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	606,547
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	606,547
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	606,547

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	620,990
b	Program-related investments—total from Part IX-B	1b	
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	620,990
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	620,990

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				606,547
2 Undistributed income, if any, as of the end of 2017:				
a Enter amount for 2016 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2017:				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016 20,826				
f Total of lines 3a through e	20,826			
4 Qualifying distributions for 2017 from Part XII, line 4: ► \$ 620,990				
a Applied to 2016, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)	14,443			
d Applied to 2017 distributable amount				606,547
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	35,269			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				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)				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	35,269			
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 35,269				

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

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter $\frac{2}{3}$ 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).)

David C. Karlgaard and Marilyn E. Karlgaard

- 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.

N/A

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. See instructions.

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

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

- c** Any submission deadlines:

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

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

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				
University of Wisconsin Eau Claire Foundation		YES		367,019
George Washington University		YES		200,000
NOVA Hospital Foundation		YES		22,500
University of California San Francisco		YES		22,500
Childrens National Foundation		YES		1,000
American Heart Association		YES		50
Total			3a	613,069
b Approved for future payment				
University of Wisconsin Eau Claire Foundation		YES		2,863,389
George Washington University		YES		1,700,000
Total			3b	4,563,389

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

Kartgaard Family Foundation

Employer identification number

31-1810538

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 foundationCheck 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 $\frac{1}{3}$ % 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

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
	David C. and Marilyn E. Karlgaard 5 Clarks Branch Road Great Falls, VA 22066	\$ 980,472	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.)
		\$	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

Employer identification number

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
1	Panara Bread CI A (PNRA)	\$ 281,196	4/6/2017
1	Alphabet Inc CI A (GOOGL)	\$ 699,276	12/7/2017
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization	Employer identification number
----------------------	--------------------------------

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 information once. See instructions.) ▶ \$ _____

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	
----- ----- -----		----- ----- -----	

Karlgaard Family Foundation
5 Clarks Branch Road, Great Falls, VA 22066
EIN 31-1810538

Attachment to Form 990-PF, Tax Year 2017

Part 1, Line 1, Contribution Summary

From David C. and Marilyn E. Karlgaard

DATE	COMPANY	SYMBOL	SHARES	SH PRICE	TOTAL
4/6/2017	Panera Bread Company	PNRA	900	\$ 312.44	\$ 281,196
12/7/2017	Alphabet Inc. CIA	GOOGL	671	\$ 1,042.14	\$ 699,276
	Total Contributions Received				\$ 980,472

Part 1, Line 18, Taxes Paid

Foreign Income Taxes Paid	\$ 1,364
Excise Tax Paid	\$ 4,111
Total Taxes Paid	\$ 5,475

Part 1, Line 23, Other Expenses

State Corporation Fees	\$ 25
Total Other Expenses	\$ 25

Part VI, Capital Gains and Losses

	a	Shares	b	c	d
Symbol	Property	Sold	Acquired	Acquired	Sold
AEPGX	American Europacific Growth	7,613.971	P		1/3/2017
BIVV	Biovaritive Inc Cash in Lieu		D		2/8/2017
PNRA	Panera Bread	500.000	D		7/19/2017
ESRX	Express Scripts	6,852.000	D	12/15/2005	11/9/2017
ESRX	Express Scripts	6,000.000	D	12/24/2007	11/9/2017
ESRX	Express Scripts	5,000.000	D	12/31/2008	11/9/2017
ORLY	O'Reilly Automotive	1,944.000	D	12/21/2014	11/9/2017
TOTAL Capital Gain (Loss)					

Part II, Line 10b Investments, Corporate Stock (Book Value)

BOOK VALUE

Symbol	Company	Shares	Acquired	Sh Price	Value
GOOGL	Alphabet Inc Cl A	671.00	12/7/2017	\$ 1,042.14	\$ 699,276
AAPL	Apple Computer	14,000.00	12/15/2006	\$ 10.20	\$ 142,760
AAPL	Apple Computer	7,000.00	12/24/2007	\$ 28.15	\$ 197,060
AAPL	Apple Computer	9,800.00	12/31/2008	\$ 12.36	\$ 121,156
PNC	PNC Financial Services	7,018.00	12/11/2006	\$ 72.70	\$ 510,221
CNI	Canadian National Rail	6,000.00	12/28/2009	\$ 27.15	\$ 162,870
CNI	Canadian National Rail	576.00	12/22/2015	\$ 56.41	\$ 32,492
CNI	Canadian National Rail	500.00	12/8/2016	\$ 69.24	\$ 34,620
BIIB	Biogen Idec	3,785.00	12/18/2012	\$ 141.05	\$ 533,861
BIIV	Bioveritive	1,892.00	12/18/2012	\$ 23.73	\$ 44,903
JNJ	Johnson & Johnson	6,920.00	12/21/2014	\$ 106.21	\$ 734,960
Marriott	Marriott International	2,102.74	12/8/2016	\$ 83.87	\$ 176,357
FISV	Fiserve Wisconsin	1,524.00	12/8/2016	\$ 104.67	\$ 159,517
AGTHX	Growth Fund of Americaq	14,363.48	6/21/2005	\$ 30.95	\$ 444,540
AIVSX	Investment Company of America	36,780.02	6/21/2005	\$ 33.03	\$ 1,214,940
SBMAX	Clearbridge Mid Cap A	10,797.48	11/10/2017	\$ 33.88	\$ 365,814
DCCAX	Delaware Small Cap Core	31,425.40	11/10/2017	\$ 24.31	\$ 763,986
OSGI	JPMorgan Mid Cap Growth	12,322.18	11/10/2017	\$ 29.85	\$ 367,763
Total Book Value					\$ 6,707,096

510,221

365,000
763,986
367,763
(869,875)

Part II, Line 10b Investments, Corporate Stock (Market Value)

MARKET VALUE

Symbol	Company	Shares	Acquired	Sh Price	Value
GOOGL	Alphabet Inc Cl A	671.00	12/7/2017	\$ 1,053.40	\$ 706,831
AAPL	Apple Computer	30,800.00	12/15/2006	\$ 169.23	\$ 5,212,284
PNC	PNC Financial Services	7,018.00	12/11/2006	\$ 144.29	\$ 1,012,627
CNI	Canadian National Rail	7,076.00	12/28/2009	\$ 82.50	\$ 583,770
BIIB	Biogen Idec	3,785.00	12/18/2012	\$ 318.57	\$ 1,205,787
BIIV	Bioveritive	1,892.00	12/18/2012	\$ 53.92	\$ 102,017
JNJ	Johnson & Johnson	6,920.00	12/21/2014	\$ 139.72	\$ 966,864
Marriott	Marriott International	2,102.74	12/8/2016	\$ 135.73	\$ 285,405
FISV	Fiserve Wisconsin	1,524.00	12/8/2016	\$ 131.13	\$ 199,842
AGTHX	Growth Fund of Americaq	14,363.48	6/21/2005	\$ 49.54	\$ 711,567
AIVSX	Investment Company of America	36,780.02	6/21/2005	\$ 40.39	\$ 1,485,545
SBMAX	Clearbridge Mid Cap A	10,797.48	11/10/2017	\$ 33.43	\$ 360,960
DCCAX	Delaware Small Cap Core	31,425.40	11/10/2017	\$ 23.58	\$ 741,011
OSGIX	JPMorgan Mid Cap Growth	12,322.18	11/10/2017	\$ 29.13	\$ 358,945
Total Book Value					\$ 13,933,455

Part VII-A, Line 10, Substantial Contributors

David C. Karlgaard
Marilyn E. Karlgaard
5 Clarks Branch Road, Great Falls, VA 22066

Part VII-A, Line 12

A distribution was made to a Donor Advised Fund under the University of Wisconsin Eau Claire Foundation. David C. Karlgaard is a disqualified person under the Karlgaard Foundation and has advisory privileges for the Donor Advised Fund at the University of Wisconsin Eau Claire Foundation. The disqualified person has no active investment management power for the funds in the Donor Advised Fund. The University of Wisconsin Foundation has complete investment management power for the funds in the Donor Advised Fund. The Donor Advised Fund is specifically limited for use to endow future scholarships and teaching awards at the University of Wisconsin Eau Claire.