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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: BATES FAMILY FOUNDATION

A Employer identification number: 36-7294980

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 6861 — Room/suite:

B Telephone number: 253-752-4345

City or town, state or province, country, and ZIP or foreign postal code: TACOMA, WA 98417

C If exemption application is pending, check here ▶ [ ]

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

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) ▶$ 16,158,100.

J Accounting method: [ ] Cash [X] 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	4,183,697.		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	203,039.	203,039.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-158,401.			
b Gross sales price for all assets on line 6a 1,525,484.				
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	1,507.	1,507.		STATEMENT 2
12 Total Add lines 1 through 11	4,229,842.	204,546.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	200,000.	133,333.		66,667.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 3	9,925.	0.		9,925.
c Other professional fees STMT 4	101,941.	21,528.		80,413.
17 Interest				
18 Taxes STMT 5	15,502.	15,092.		0.
19 Depreciation and depletion				
20 Occupancy	16,980.	0.		16,980.
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 Total operating and administrative expenses Add lines 13 through 23	344,348.	169,953.		173,985.
25 Contributions, gifts, grants paid	1,289,000.			1,289,000.
26 Total expenses and disbursements Add lines 24 and 25	1,633,348.	169,953.		1,462,985.
27 Subtract line 26 from line 12.				
a Excess of revenue over expenses and disbursements	2,596,494.			
b Net investment income (if negative, enter -0-)		34,593.		
c Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	336,245.	414,026.	414,026.
	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 ▶ 350,000.			
		Less allowance for doubtful accounts ▶ 0.	350,000.	350,000.	350,000.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	16,518.	2,254.	2,254.
	10a	Investments - U S. and state government obligations			
	b	Investments - corporate stock STMT 8	10,939,854.	15,391,820.	15,391,820.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other			
	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)	11,642,617.	16,158,100.	16,158,100.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	300,000.	200,000.	
	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)	300,000.	200,000.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26, and lines 30 and 31**			
	24	Unrestricted	11,342,617.	15,958,100.	
	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			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances**	11,342,617.	15,958,100.	
	31	**Total liabilities and net assets/fund balances**	11,642,617.	16,158,100.	

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	11,342,617.
2	Enter amount from Part I, line 27a	2	2,596,494.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	2,018,989.
4	Add lines 1, 2, and 3	4	15,958,100.
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	15,958,100.

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	10,000 SHARES CATERPILLAR INC		VARIOUS	06/20/17
b	1,500 SHARES INTERNATIONAL BUSINESS MACHINES		VARIOUS	05/19/17
c	14,000 SHARES TEVA PHARMACEUTICAL INDUSTRIES			
d	LTD		VARIOUS	08/29/17
e	CAPITAL GAIN DISTRIBUTIONS		VARIOUS	12/31/17

	(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	1,075,340.		927,400.	147,940.
b	231,946.		248,985.	-17,039.
c				
d	218,197.		507,500.	-289,303.
e	1.			1.

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				147,940.
b				-17,039.
c				
d				-289,303.
e				1.

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 -158,401.

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	1,291,335.	11,815,280.	.109294
2015	1,250,293.	12,965,806.	.096430
2014	1,104,887.	14,349,755.	.076997
2013	988,533.	13,608,217.	.072642
2012	755,517.	12,184,039.	.062009

2	**Total** of line 1, column (d)	2	.417372
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	.083474
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	14,695,305.
5	Multiply line 4 by line 3	5	1,226,676.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	346.
7	Add lines 5 and 6	7	1,227,022.
8	Enter qualifying distributions from Part XII, line 4	8	1,462,985.

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.

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	346.
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	346.
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	346.
6 Credits/Payments:			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a 360.		
b Exempt foreign organizations - tax withheld at source	6b 0.		
c Tax paid with application for extension of time to file (Form 8868)	6c 800.		
d Backup withholding erroneously withheld	6d 0.		
7 Total credits and payments. Add lines 6a through 6d		7	1,160.
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	814.
11 Enter the amount of line 10 to be **Credited to 2018 estimated tax** ▶ 814. **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? If "Yes," attach a detailed description of the activities.	2		X
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? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by *General Instruction T*	5		X
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. ▶ IL			
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	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

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 ▶ N/A

14 The books are in care of ▶ HEARTLAND BANK - MCLEAN COUNTY Telephone no. ▶ 309-662-4444

Located at ▶ 205 N. MAIN ST., SUITE 101, BLOOMINGTON, IL ZIP+4 ▶ 61704

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 N/A	1b		
	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.) N/A	3b		
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
PATRICIA ANN MATTINGLEY 3410 HIDDEN RIVER VIEW ROAD ANNAPOLIS, MD 21403	TRUSTEE 10.00	0.	0.	0.
REX W. BATES 3611 NORTH WASHINGTON ST. TACOMA, WA 98407	TRUSTEE 10.00	0.	0.	0.
JENNIFER MATTINGLEY HOMMEL 6305 23RD STREET NORTH ARLINGTON, VA 22205	TRUSTEE 10.00	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 N/A	
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	14,399,906.
b	Average of monthly cash balances		1b	519,185.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	14,919,091.
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	14,919,091.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) STMT 9		4	223,786.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	14,695,305.
6	**Minimum investment return** Enter 5% of line 5		6	734,765.

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	734,765.
2a	Tax on investment income for 2017 from Part VI, line 5	2a 346.		
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	346.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	734,419.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	734,419.
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	734,419.

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	1,462,985.
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	1,462,985.
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	346.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	1,462,639.

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				734,419.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2017:				
a From 2012 149,171.				
b From 2013 317,110.				
c From 2014 391,651.				
d From 2015 604,011.				
e From 2016 701,243.				
f Total of lines 3a through e	2,163,186.			
4 Qualifying distributions for 2017 from Part XII, line 4: ▶ $ 1,462,985.				
a Applied to 2016, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2017 distributable amount				734,419.
e Remaining amount distributed out of corpus	728,566.			
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	2,891,752.			
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				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7	149,171.			
9 **Excess distributions carryover to 2018** Subtract lines 7 and 8 from line 6a	2,742,581.			
10 Analysis of line 9:				
a Excess from 2013 317,110.				
b Excess from 2014 391,651.				
c Excess from 2015 604,011.				
d Excess from 2016 701,243.				
e Excess from 2017 728,566.				

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	Prior 3 years			
	(a) 2017	(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 ▶ [X] 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:

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				
5TH AVENUE THEATER 1308 5TH AVENUE SEATTLE, WA 98101		PC	PAYMENT FOR THE BENEFIT OF THEATRE ARTS	15,000.
AIDS FOUNDATION 3009 S 40TH ST TACOMA, WA 98409		PC	PAYMENT FOR THE BENEFIT OF THE AIDS FOUNDATION	2,500.
ANNIE WRIGHT SCHOOL 827 N. TACOMA AVE. TACOMA, WA 98403		PC	PAYMENT FOR EDUCATIONAL PROGRAMS OF THE SCHOOL	675,000.
BELGRADE LAKE ASSOCIATION 137 MAIN STREET BELGRADE LAKES, ME 04918-0551		POF	PAYMENT TO BENEFIT LAKE ASSOCIATION'S EFFORTS	2,500.
BOYS & GIRLS CLUB 3875 S 66TH ST, STE 101 TACOMA, WA 98409		PC	PAYMENT TO BENEFIT THE BOYS AND GIRLS CLUB	2,500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	1,289,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

** SEE PURPOSE OF GRANT CONTINUATIONS

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(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	203,039.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-158,401.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a LITIGATION PROCEEDS			01	1,507.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		46,145.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 46,145.

(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

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

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

Signature of officer or trustee | Date 11/11/18 | Title TRUSTEE

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
STEPHANIE J. PETRI, CPA	STEPHANIE J. PETR	11/05/18		P01238917

Firm's name ▶ CLIFTONLARSONALLEN LLP — Firm's EIN ▶ 41-0746749

Firm's address ▶ 404 NORTH HERSHEY ROAD, SUITE A BLOOMINGTON, IL 61704 — Phone no. (309) 557-1200

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
BATES FAMILY FOUNDATION	36-7294980

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
BATES FAMILY FOUNDATION	36-7294980

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	REX J BATES TRUST P.O. BOX 6861 TACOMA, WA 98417	$ 912,876.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions)
2	REVA M BATES MARITAL TRUST P.O. BOX 6861 TACOMA, WA 98417	$ 3,270,821.	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: BATES FAMILY FOUNDATION

Employer identification number: 36-7294980

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	SHARES OF MARSH & MCLENNAN STOCK	$ 846,041.	04/03/17
2	SHARES OF CELGENE CORP STOCK, JP MORGAN CHASE & CO. STOCK, AND MARSH & MCLENNAN STOCK	$ 3,270,821.	04/03/17
		$	
		$	
		$	
		$	

Name of organization: BATES FAMILY FOUNDATION

Employer identification number: 36-7294980

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

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
BROOKINGS INSTITUTE 1775 MASSACHUSETTS AVE WASHINGTON, DC 20036		PC	PAYMENT FOR THE BENEFIT OF BROOKINGS INSTITUTE	60,000.
CHARLES WRIGHT ACADEMY 7723 CHAMBERS CREEK RD W TACOMA, WA 98467		PC	PAYMENT TO BENEFIT THE SCHOOL	2,500.
CHILDREN'S MUSEUM OF TACOMA 1501 PACIFIC AVE. SUITE 202 TACOMA, WA 98402		PC	PAYMENT FOR THE BENEFIT OF THE CHILDREN'S MUSEUM OF TACOMA	5,000.
CHINESE RECONCILIATION FOUNDATION PROJECT 224 PUYALLUP AVE. TACOMA, WA 98421		PC	PAYMENT TO BENEFIT THE CHINESE RECONCILIATION PROJECT	2,500.
COLLEGE SUCCESS FOUNDATION 950 PACIFIC AVE, SUITE 1250 TACOMA, WA 98402		PC	GIFT TO FOUNDATION FOR SUPPORT & SCHOLARSHIPS TO INSPIRE UNDERSERVED, LOW-INCOME STUDENTS TO	5,000.
ESQUESTRIAN LAND CONCERVATION RECOURCE 4037 IRON WORKS PARKWAY SUITE 120 LEXINGTON, KY 40511		PC	PAYMENT FOR QUALITY EDUCATION FOR YOUTH IN HORSE PGM	40,000.
GOD'S KINGDOM CHRISTIAN FELLOWSHIP 8806 PACIFIC AVE, STE B TACOMA, WA 98444		PC	PAYMENT TO BENEFIT THE CHURCH	5,000.
GREENHILL SCHOOL 4141 SPRING VALLEY ROAD ADDISON, TX 75001		PC	PAYMENT TO BENEFIT GREENHILL SCHOOL	10,000.
MAKE THE DASH COUNT FOUNDATION 1054 EGRETS WALK CIRCLE, STE 203 NAPLES, FL 34108		PC	PAYMENT TO BENEFIT THE FOUNDATION	5,000.
MARY BRIDGE CHILDREN'S FOUNDATION PO BOX 5296 TACOMA, WA 98415		PC	PAYMENT TO BENEFIT THE FOUNDATION	85,000.
Total from continuation sheets				591,500.

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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
PINE ISLAND CAMP, INC. P.O. BOX 242 BRUNSWICK, ME 04011		PC	PAYMENT FOR THE BENEFIT OF SUMMER CAMP FOR BOYS	25,000.
PORT ANGELES SYMPHONY PO BOX 2148 PORT ANGELES, WA 98362		PC	TO ASSIST THE PORT ANGELES SYMPHONY	10,000.
PORT TOWNSEND MARINE SCIENCE CENTER 532 BATTERY WAY PORT TOWNSEND, WA 98368		PC	PAYMENT TO BENEFIT MARINE CENTER	15,000.
SEATTLE PACIFIC UNIVERSITY 3307 3RD AVENUE WEST SEATTLE, WA 98119		PC	PAYMENT TO BENEFIT SEATTLE PACIFIC UNIVERSITY	20,000.
SEQUIM CITY BAND 9411 OLD OLYMPIC HWY. SEQUIM, WA 98382		PC	PAYMENT ALLOWS BAND TO BUY MUSIC & PLACE TO REHEARSE	10,000.
ST. PAUL'S SCHOOL 325 PLEASANT ST CONCORD, NH 03301-2591		PC	PAYMENT FOR A SCHOLARSHIP FUND	30,000.
THE GLASS MUSEUM OF TACOMA 1801 DOCK ST TACOMA, WA 98402		PC	PAYMENT FOR MUSEUM EXHIBITS	56,000.
THE UNITED STATES PONY CLUBS, INC. 4041 IRON WORKS LEXINGTON, KY 40511-8483		PC	PAYMENT FOR QUALITY EDUCATION FOR YOUTH IN HORSE PGM	40,000.
UNIVERSITY OF WASHINGTON 1900 COMMERCE ST. BOX 358420 TACOMA, WA 98402		PC	PAYMENT TO BENEFIT THE SCHOOL OF BUSINESS	52,500.
WHITMAN COLLEGE 345 BOYER AVE. WALLA WALLA, WA 99362		PC	PAYMENT FOR AWARD ENDOWMENTS FOR STUDENTS	103,000.
Total from continuation sheets				

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
YMCA OF TACOMA PIERCE COUNTY 1614 S. MILDRED ST. SUITE #1 TACOMA, WA 98465		PC	PAYMENT FOR THE BENEFIT OF THE YMCA OF TACOMA PIERCE	10,000.
Total from continuation sheets				

Part XV Supplementary Information

3a Grants and Contributions Paid During the Year Continuation of Purpose of Grant or Contribution

NAME OF RECIPIENT - COLLEGE SUCCESS FOUNDATION

GIFT TO FOUNDATION FOR SUPPORT & SCHOLARSHIPS TO INSPIRE UNDERSERVED,

LOW-INCOME STUDENTS TO FINISH HIGH SCHOOL & COLLEGE.

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
CATERPILLAR INC	15,400.	0.	15,400.	15,400.	
EQT CORP	1,200.	0.	1,200.	1,200.	
EVERGREEN RACQUET CLUB INC	3,030.	0.	3,030.	3,030.	
INTERNATIONAL BUSINESS MACHINES	3,525.	0.	3,525.	3,525.	
JP MORGAN CHASE & CO	37,248.	0.	37,248.	37,248.	
MARSH AND MCLENNAN	52,951.	0.	52,951.	52,951.	
MEDTRONIC PLC	19,580.	0.	19,580.	19,580.	
NORTHERN INST GOVT SELECT	3,381.	0.	3,381.	3,381.	
PEMBINA PIPELINE CORP	38,992.	0.	38,992.	38,992.	
TEVA PHARMACEUTICAL INDUSTRIES LTD	10,532.	0.	10,532.	10,532.	
XL GROUP LTD	17,200.	0.	17,200.	17,200.	
TO PART I, LINE 4	203,039.	0.	203,039.	203,039.	

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
LITIGATION PROCEEDS	1,507.	1,507.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,507.	1,507.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	9,925.	0.		9,925.
TO FORM 990-PF, PG 1, LN 16B	9,925.	0.		9,925.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CUSTODIAN AND BANK FEES	101,941.	21,528.		80,413.
TO FORM 990-PF, PG 1, LN 16C	101,941.	21,528.		80,413.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	410.	0.		0.
FOREIGN INCOME TAXES PAID	15,092.	15,092.		0.
TO FORM 990-PF, PG 1, LN 18	15,502.	15,092.		0.

FOOTNOTES STATEMENT 6

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 7

DESCRIPTION	AMOUNT
UNREALIZED GAIN/LOSS ON INVESTMENTS	2,018,989.
TOTAL TO FORM 990-PF, PART III, LINE 3	2,018,989.

FORM 990-PF	CORPORATE STOCK	STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
10.000 SHS BERKSHIRE HATHAWAY 'B'	1,982,200.	1,982,200.
101 SHS EVERGREEN RACQUET CLUB INC	202,000.	202,000.
43,900 SHS MARSH & MCLENNAN	3,573,021.	3,573,021.
25,000 SHS PEMBINA PIPELINE CORP	904,500.	904,500.
11,000 SHS MEDTRONIC PLC	888,250.	888,250.
10,000 SHS EQT CORP	569,200.	569,200.
185,185 SHS TEPHA INC SERIES B-2	250,000.	250,000.
26,003 SHS TEPHA INC SERIES B-3	35,104.	35,104.
139,050 SHS TEPHA INC SERIES C	69,525.	69,525.
1,297,401 SHS TEPHA INC SERIES C-2	648,700.	648,700.
14,000 SHS CONTINENTAL RESOURCES INC	741,580.	741,580.
40,000 SHS QUIDEL CORP	1,734,000.	1,734,000.
20,000 SHS XL GROUP LTD	703,200.	703,200.
20,800 SHS JP MORGAN CHASE & CO	2,224,352.	2,224,352.
8,300 SHS CELGENE CORP	866,188.	866,188.
TOTAL TO FORM 990-PF, PART II, LINE 10B	15,391,820.	15,391,820.

FORM 990-PF	CASH DEEMED CHARITABLE EXPLANATION STATEMENT PART X, LINE 4	STATEMENT 9

THE CUSTOMARY 1.5% OF THE AVERAGE FAIR MARKET VALUE OF THE INVESTMENTS AND THE AVERAGE MONTHLY CASH BALANCES IS BEING HELD FOR CHARITABLE ACTIVITIES.