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Form **990-PF**Department of the Treasury
Internal Revenue Service

EXTENDED TO NOVEMBER 15, 2018

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.

OMB No. 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning

, and ending

Name of foundation

THE LILY FOUNDATION

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

200 W. LANCASTER AVENUE

Room/suite

202

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

WAYNE, PA 19087-4046

A Employer identification number

52-6854621

B Telephone number

610-964-0331C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

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

\$ 12,541,129.J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify) _____

(Part I, column (d) must be on cash basis.)

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)

1 Contributions, gifts, grants, etc., received

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

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 **2,037,210.**

7 Capital gain net income (from Part IV, line 2)

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

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

STMT 3

c Other professional fees

STMT 4

17 Interest

18 Taxes

STMT 5

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses

24 Total operating and administrative expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

N/A

1,674.

1,674.

STATEMENT 1

261,912.

168,801.

STATEMENT 2

366,646.

366,646.

630,232.

537,121.

0.

0.

0.

9,114.

0.

9,114.

74,142.

73,318.

750.

-7,294.

2,706.

0.

415.

0.

594.

0.

594.

76,971.

76,024.

10,458.

910,550.

910,550.

987,521.

76,024.

921,008.

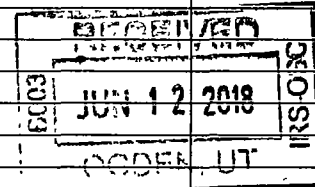
-357,289.

461,097.

N/A

Revenue

Operating and Administrative Expenses



Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	571,322.	281,168.	281,168.
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 6	2,979,428.	3,108,527.	3,188,484.
	b Investments - corporate stock STMT 7	210,204.	210,204.	321,711.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	6,194,020.	5,998,211.	8,749,267.
Liabilities	14 Land, buildings, and equipment basis ▶ 3,322. Less: accumulated depreciation STMT 9 ▶ 3,312.	425.	10.	10.
	15 Other assets (describe ▶ STATEMENT 10)	499.	489.	489.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	9,955,898.	9,598,609.	12,541,129.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26, and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	8,619,417.	8,619,417.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	1,336,481.	979,192.	
	30 Total net assets or fund balances	9,955,898.	9,598,609.	
	31 Total liabilities and net assets/fund balances	9,955,898.	9,598,609.	

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	9,955,898.
2 Enter amount from Part I, line 27a	2	-357,289.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	9,598,609.
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	9,598,609.

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Part IV Capital Gains and Losses for Tax on Investment Income

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a			
b			
c			
d			
e 2,037,210.		1,670,564.	366,646.

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			366,646.

2 Capital gain net income or (net capital loss) $\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$	2	366,646.
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	737,901.	11,858,182.	.062227
2015	672,677.	12,504,101.	.053797
2014	674,342.	12,680,158.	.053181
2013	624,674.	12,538,232.	.049822
2012	633,062.	12,365,720.	.051195

2 Total of line 1, column (d)	2	.270222
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	.054044
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	12,189,240.
5 Multiply line 4 by line 3	5	658,755.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,611.
7 Add lines 5 and 6	7	663,366.
8 Enter qualifying distributions from Part XII, line 4	8	921,008.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	4,611.
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	4,611.
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	4,611.
6 Credits/Payments:			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	5,034.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	5,034.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	423.	
11 Enter the amount of line 10 to be: Credited to 2018 estimated tax <input checked="" type="checkbox"/> 423. Refunded <input type="checkbox"/>	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?		X
1b 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
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 General Instruction T.		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. <input checked="" type="checkbox"/> PA		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	X	
14 The books are in care of ► <u>THE FOUNDATION</u> Telephone no. ► <u>610-964-0331</u> Located at ► <u>200 W. LANCASTER AVENUE, NO. 202, WAYNE, PA</u> ZIP+4 ► <u>19087-4046</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year		
16 At any time during calendar year 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 ►		X

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

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

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

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

5a During the year, did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions

N/A

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?

If "Yes" to 6b, file Form 8870.

6b

X

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
ROBERT L. MCNEIL, III 245 ABRAHAMS LANE VILLANOVA, PA 19085	TRUSTEE 0.00	0.	0.	0.
JANE MCNEIL 245 ABRAHAMS LANE VILLANOVA, PA 19085	TRUSTEE 0.00	0.	0.	0.

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	11,786,877.
b	Average of monthly cash balances	1b	587,487.
c	Fair market value of all other assets	1c	499.
d	Total (add lines 1a, b, and c)	1d	12,374,863.
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	12,374,863.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	185,623.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,189,240.
6	Minimum investment return. Enter 5% of line 5	6	609,462.

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	609,462.
2a	Tax on investment income for 2017 from Part VI, line 5	2a	4,611.
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,611.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	604,851.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	604,851.
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	604,851.

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	921,008.
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	921,008.
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	4,611.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	916,397.

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				604,851.
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				
b From 2013				
c From 2014	29,383.			
d From 2015	63,531.			
e From 2016	146,058.			
f Total of lines 3a through e	238,972.			
4 Qualifying distributions for 2017 from Part XII, line 4: ► \$ 921,008.				
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				604,851.
e Remaining amount distributed out of corpus	316,157.			
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	555,129.			
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	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	555,129.			
10 Analysis of line 9:				
a Excess from 2013				
b Excess from 2014	29,383.			
c Excess from 2015	63,531.			
d Excess from 2016	146,058.			
e Excess from 2017	316,157.			

N/A

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

- [illegible]

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).)

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.

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.

- 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	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
Name and address (home or business)				
a Paid during the year				
AGNES IRWIN SCHOOL 275 S. ITHAN AVENUE ROSEMONT, PA 19010	N/A	PUBLIC	GENERAL	142,150.
WOODLYNDE SCHOOL 445 UPPER GULPH RD. STRAFFORD, PA 19087	N/A	PUBLIC	GENERAL	100,000.
C.B. COMMUNITY SCHOOLS 2116 EAST HAINES STREET PHILADELPHIA, PA 19130	N/A	PUBLIC	GENERAL	66,000.
CAMP DREAMCATCHER 905 CONNER ROAD WEST CHESTER, PA 19380	N/A	PUBLIC	GENERAL	5,000.
CAPE ELEUTHERA FOUNDATION P.O. BOX 6008 LAWRENCEVILLE, NJ 08648	N/A	PUBLIC	GENERAL	10,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				910,550.
b Approved for future payment				
NONE				
Total ▶ 3b				0.



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)(3) (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.		

[illegible]

- 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. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	 Signature of officer or trustee	 TRUSTEE Title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRETT W. SENIOR		5-15-18		P00118248
	Firm's name ▶ BRETT SENIOR TAX SERVICES, LLC			Firm's EIN ▶ 46-2438161	
	Firm's address ▶ 125 STRAFFORD AVENUE, SUITE 112 WAYNE, PA 19087			Phone no. 610-293-1500	

Form **990-PF** (2017)

THE LILY FOUNDATION

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 1485 SHS SPDR S P OIL GAS EXPLOR		02/10/17	08/01/17
b 1340 SHS REAL ESTATE SELECT SECTOR SPDR		09/22/16	02/10/17
c 90 SHS ISHARES S&P GLOBAL 100		09/10/15	02/10/17
d 1019 SHS ISHARES EDGE MSCI MIN VOL EM MKTS		VARIOUS	02/10/17
e 1050 SHS VANGUARD REIT ETF		VARIOUS	02/10/17
f 575 SHS GUGGENHEIM S&P 500 EQ WEIGHT TECH		03/20/15	08/01/17
g 1016 SHS ISHARES CORE HIGH DIV ETF		VARIOUS	02/10/17
h 970 SHS SECTOR SPDR CONSMRS STPL		03/20/14	02/10/17
i 165 SHS SECTOR SPDR ENERGY		VARIOUS	08/01/17
j 2265 SHS SELECT SECTOR SPDR TR		VARIOUS	08/01/17
k 1815 SHS ISHARES S&P GLOBAL 100		VARIOUS	02/10/17
l 1570 SHS S&P 500 GROWTH		VARIOUS	08/01/17
m 125 SHS ISHARES S&P SMALLCAP 600 GR		03/30/09	08/01/17
n 140 SHS ISHARES S&P SMALL CAP 600 VALUE		03/02/09	08/01/17
o 200000 PAR PA ST TPK COMMN		05/01/14	06/15/17

(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 47,955.		59,920.	-11,965.
b 41,903.		43,617.	-1,714.
c 7,103.		6,345.	758.
d 52,828.		57,773.	-4,945.
e 87,981.		78,298.	9,683.
f 74,718.		54,103.	20,615.
g 83,893.		61,006.	22,887.
h 52,025.		41,439.	10,586.
i 10,979.		15,669.	-4,690.
j 130,038.		94,161.	35,877.
k 143,255.		106,322.	36,933.
l 220,865.		64,014.	156,851.
m 19,769.		4,810.	14,959.
n 19,747.		5,013.	14,734.
o 208,714.		199,995.	8,719.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			-11,965.
b			-1,714.
c			758.
d			-4,945.
e			9,683.
f			20,615.
g			22,887.
h			10,586.
i			-4,690.
j			35,877.
k			36,933.
l			156,851.
m			14,959.
n			14,734.
o			8,719.

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 }

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

2

3

THE LILY FOUNDATION

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	185000 PAR OREGON ST HSG & COMNTY SVCS	P	05/15/14	06/15/17
b	100000 PAR LAUREL PA SCH DIST	P	03/10/10	11/01/17
c	4715 SHS ISHARES TIPS BOND ETF		VARIOUS	06/14/17
d	5000 PAR OREGON ST JGS & CMNTY DEPT		05/15/14	03/30/17
e	CAPITAL GAINS DIVIDENDS			
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 190,781.		185,000.	5,781.
b 100,000.		100,000.	0.
c 539,307.		488,079.	51,228.
d 5,000.		5,000.	0.
e 349.			349.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			5,781.
b			0.
c			51,228.
d			0.
e			349.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	366,646.
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

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
MERRILL LYNCH 2090	146.	146.	
MERRILL LYNCH 2233	1,528.	1,528.	
TOTAL TO PART I, LINE 3	1,674.	1,674.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MERRILL LYNCH 2090	141,578.	28.	141,550.	141,550.	
MERRILL LYNCH 2233	18,095.	321.	17,774.	17,774.	
MERRILL LYNCH 2233					
MUNI BD INT	93,111.	0.	93,111.	0.	
MERRILL LYNCH 2233					
US TREAS INT	9,477.	0.	9,477.	9,477.	
TO PART I, LINE 4	262,261.	349.	261,912.	168,801.	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	9,114.	0.		9,114.
TO FORM 990-PF, PG 1, LN 16B	9,114.	0.		9,114.

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
ML - INVESTMENT FEES	73,392.	73,318.		0.
MEMBERSHIP DUES	750.	0.		750.
TO FORM 990-PF, PG 1, LN 16C	74,142.	73,318.		750.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990-PF EXCISE TAX	-10,000.	0.		0.
ML - 871-02090 FOREIGN TAXES	2,706.	2,706.		0.
TO FORM 990-PF, PG 1, LN 18	-7,294.	2,706.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT 6
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL BONDS - SCHEDULE B		X	2,357,777.	2,446,527.
US TREASURY INFLATION NOTE	X		750,750.	741,957.
TOTAL U.S. GOVERNMENT OBLIGATIONS			750,750.	741,957.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			2,357,777.	2,446,527.
TOTAL TO FORM 990-PF, PART II, LINE 10A			3,108,527.	3,188,484.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BERKSHIRE HATHAWAY, INC.	210,204.	321,711.
TOTAL TO FORM 990-PF, PART II, LINE 10B	210,204.	321,711.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS - SCHEDULE A	COST	5,625,211.	8,302,955.
BAC MARKET-LINKED STEP UP NOTES	COST	373,000.	446,312.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,998,211.	8,749,267.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE FURNITURE	3,175.	3,175.	0.
OFFICE FURNITURE	147.	137.	10.
TOTAL TO FM 990-PF, PART II, LN 14	3,322.	3,312.	10.

FORM 990-PF	OTHER ASSETS	STATEMENT	10
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INVESTMENT INCOME RECEIVABLE	499.	489.	489.
TO FORM 990-PF, PART II, LINE 15	499.	489.	489.

2017 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	C o n v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	OFFICE FURNITURE	12/31/10	SL	7.00	MC	7	3,175.				3,175.	2,781.		394.	3,175.
2	OFFICE FURNITURE	07/08/11	SL	7.00	HY	7	147.				147.	116.		21.	137.
* TOTAL 990-PF PG 1 DEPR							3,322.				3,322.	2,897.		415.	3,312.

Attachment to Form 990-PF
Part II, Balance Sheets
The Lily Foundation
Mutual Funds/Closed End Funds
December 31, 2017

Schedule A

	<u>Number of Shares/Units</u>	<u>Ending Cost Basis</u>	<u>Ending Market Value</u>
Alps Sector Dividend Dogs	2,900	124,757	132,820
Select Sector SPDR Tr	9,049	302,209	578,684
Guggenheim S&P 500 Equal Weight Technology	1,706	152,457	243,890
Guggenheim S&P 500 Equal Weight Financials	3,565	140,436	157,359
Ishares Nasdaq Biotech	1,290	39,878	137,733
Ishares High Div Eq Fd	4,210	301,827	379,489
Ishares Core MSCI PAC	5,258	270,464	313,535
Ishares Exponential Technologies ETF	2,225	73,249	78,854
Ishares US Industrials ETF	1,648	163,715	242,890
Ishares Dow Jones US Healthcare Sector	2,404	287,156	418,849
Ishares S&P 500 Value	7,434	251,201	849,260
Ishares S&P 500 Growth Index Fund	3,705	142,776	566,013
Ishares S&P Smallcap 600 Growth Index Fd	689	25,818	117,233
Ishares S&P Smallcap 600 Value Index Fund	801	28,682	123,010
Ishares Edge MSCI Min Vol EAFE	3,097	213,531	226,019
Ishares Edge MSCI Min Vol Emerging Markets	2,700	147,864	164,052
Ishares US Aerospace ETF	1,393	176,276	262,037
Ishares US Consumer Services	855	116,285	153,259
Ishares US Medical	341	39,733	59,167
Materials Select Sector	1,424	68,052	86,195
Sector SPDR Consumer Staples	2,628	127,409	149,507
Sector SPDR Energy	3,325	250,391	240,265
Sector SPDR Financial	9,632	193,953	268,829
SPDR S&P Midcap 400 ETF	364	81,175	125,729
Vanguard Dividend	3,260	178,740	332,618
Vanguard FTSE Developed Markets	13,765	552,374	617,498
Vanguard FTSE Emerging Markets	4,960	200,528	227,714
Vanguard Mega Cap 300 Growth	1,282	106,592	142,725
Vanguard REIT ETF	850	70,230	70,533
Vanguard Total Stock Mkt	1,105	119,200	151,661
Ishares Barclays 1-3 Yr Credit	3,350	350,071	350,209
Vanguard Intermediate Term Bond	4,000	328,180	335,320
		<u>5,625,211</u>	<u>8,302,955</u>

Part II, Balance Sheets

The Lily Foundation

Municipal Bonds

December 31, 2017

	Ending Cost Basis	Ending Market Value
Ambridge PA Area Sch Dist 11/1/31	98,655	102,400
Ambridge PA Area Sch Dist 11/1/29	24,640	26,094
California St Univ Rev System	100,000	106,303
Connecticut St JSG Fin Auth	175,000	183,397
Delaware County, PA Authority 4%	99,932	105,165
Delaware County, PA Authority 4.25%	101,079	105,793
Fort Bend Co Tex MUD	49,687	51,418
JEA Fla St. Johns Riv Pwr	197,850	203,366
JEA Fla Wtr & Swr Sys	198,346	203,052
Leander Tex Indpt Sch	70,711	68,737
Lee Cnty Fla Sch Brd	49,831	52,312
Los Angeles Calif Uni Sch Dist	99,331	107,706
Lycoming Cnty PA	124,999	127,361
Maine Mun Bd Bk 11/1/28	98,649	104,199
Maine Mun Bd Bk 11/1/29	98,891	104,638
Neshannock Twp PA Sch Dist	199,994	202,610
New York NY Ser J OID	49,587	52,468
New York NY Ser B OID	49,587	52,032
Pennsylvania HSG Fin Agency	25,000	25,643
Pennsylvania St Ser 1 OID	198,222	202,462
Pittsburgh-Allegheny, PA	49,907	51,772
Suffolk Cnty NY Pub	197,878	207,602
	<u>2,357,777</u>	<u>2,446,527</u>