



990-PF

Form 990-PF
Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

CMB No. 1545-0052

► 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.

1805

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning

Jan 1, 2017, and ending

Mar 31, 2018

Name of foundation

W. Darrell Hilton Foundation

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

P.O. Box 410

Room/suite

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

Litchfield IL 62056

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 19,157,723 J Accounting method Cash Accrual
 Other (specify) (Part I, column (d) must be on cash basis)

	(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 (attach schedule)				
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	323.	323.		
4 Dividends and interest from securities	747,672.	747,672.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		193,032.		RECEIVED
8 Net short-term capital gain				03 JUL 1 2010
9 Income modifications				OCDF
10a Gross sales less returns and allowances				03 JUL 1 2010
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	747,995.	941,077.		
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) L-16b Stmt	3,520.	3,520.		
c Other professional fees (attach schedule) L-16c Stmt	122,790	122,790.		
17 Interest				
18 Taxes (attach schedule) (see instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Stmt	15.	15.		
24 Total operating and administrative expenses. Add lines 13 through 23	126,325.	126,325.		
25 Contributions, gifts, grants paid	900,000.			900,000.
26 Total expenses and disbursements. Add lines 24 and 25	1,026,325.	126,325.		900,000.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-279,330.			
b Net investment income (if negative, enter -0-)		314,752.		
c Adjusted net income (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions.

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Form 990-PF (2017)

	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		End of year		
	(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash—non-interest-bearing	1,100	0	0
	2 Savings and temporary cash investments	153,045	13,717	13,717
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule) L-10a Stmt	326,220	325,324	372,731
	b Investments—corporate stock (attach schedule) L-10b Stmt	10,574,184	10,632,726	17,915,352
	c Investments—corporate bonds (attach schedule) L-10c Stmt	793,226	792,263	355,423
	11 Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	11,849,778	11,764,530	19,157,723
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)			
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	10,933,628	10,933,628	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings accumulated income, endowment, or other funds	866,150	780,902	
	30 Total net assets or fund balances (see instructions)	11,849,778	11,764,530	
	31 Total liabilities and net assets/fund balances (see instructions)	11,849,778	11,764,530	

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	11,849,778
2 Enter amount from Part I, line 27a	2	-273,330
3 Other increases not included in line 2 (itemize) ► Net capital gain from Pg 3 Part IV, Line 2	3	193,032
4 Add lines 1, 2, and 3	4	11,764,530
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	11,764,530

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 American Water Works 1193 shs			P	11/07/2011	05/04/2013
b American Water Works 800 shs			P	10/11/2011	05/04/2013
c American Water Works 7 shs			P	10/11/2011	05/04/2013
d American Water Works 357 shs			P	10/11/2011	05/04/2013
e See Statement					
(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 101,722.		36,930.		64,742.	
b 63,212		24,048.		44,164.	
c 597.		220.		377.	
d 30,440.		10,729.		19,712.	
e 670,365		606,279.		64,087.	
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				64,742.	
b				44,164.	
c				377.	
d				19,712.	
e				64,087.	
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		193,032.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8 column (c) See instructions If (loss) enter -0- in Part I, line 8		3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes No

If "Yes," the foundation doesn't qualify under section 4940(e). Do not complete this part

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	796,327.	18,164,943.	0.043339
2015	529,981.	16,454,053.	0.032210
2014	24,725.	10,821,844.	0.002235
2013	24,686.	497,272.	0.050045
2012	25,494.	510,364.	0.049953

2 Total of line 1, column (d)

2 0.1783323 Average distribution ratio for the 5-year base period—divide the total on line 2 by 50 or by
the number of years the foundation has been in existence if less than 5 years**3** 0.035666

4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5

4 19,478,639.

5 Multiply line 4 by line 3

5 694,727.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 8,148.

7 Add lines 5 and 6

7 702,875

8 Enter qualifying distributions from Part XII, line 4

8 900,000.If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b and complete that part using a 1% tax rate. See the
Part VI instructions

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 or 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	
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-)	
3	Add lines 1 and 2	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only others, enter -0-)	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less enter -0-	
6	Credits/Payments	
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a 9,407.
b	Exempt foreign organizations – tax withheld at source	6b
c	Tax paid with application for extension of time to file (Form 8868)	6c
d	Backup withholding erroneously withheld	6d
7	Total credits and payments. Add lines 6a through 6d	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	
11	Enter the amount of line 10 to be Credited to 2018 estimated tax ► 1,259. Refunded ► 11	

Part VII-A Statements Regarding Activities

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?	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	
1c	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	
2	Did the foundation file Form 1120-POL for this year?	
3	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____	
4a	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____	
4b	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	
5	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	
6	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	
7	If "Yes," has it filed a tax return on Form 990-T for this year?	
8a	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by <i>General Instruction T</i>	
8b	Are the requirements of section 508(a) (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?	
9	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	
10	Enter the states to which the foundation reports or with which it is registered. See instructions ► IL If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No" attach explanation	
11	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	
12	Did any persons become substantial contributors during the tax year? If "Yes" attach a schedule listing their names and addresses	

Part VII-A Statements Regarding Activities (continued)

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 Yes No
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 Yes No
12 X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A Yes No
13 X

14 The books are in care of ► Bank 7 Trust Company Telephone no ► (217) 324-3935
Located at ► P. O. Box 410, Litchfield, IL ZIP+4 ► 62056 Yes No

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 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ► Yes No
16 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.

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
 1b Yes No

b If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions
 Organizations relying on a current notice regarding disaster assistance, check here ► Yes No
 1c Yes No

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? Yes No
 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
 a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? Yes No
 If "Yes," list the years ► 20 20 20 20 Yes No
 2b Yes No

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) Yes No
 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) Yes No
 3b Yes No

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? Yes No
 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? Yes No
 4b Yes No

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Yes	No
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 1955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable etc , organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	Organizations relying on a current notice regarding disaster assistance, check here	<input checked="" type="checkbox"/>		
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If "Yes" to 6b file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		5b		
		6b		x
		7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, and foundation managers and their compensation. See instructions.**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
Bank & Trust Company PO Box 410, Litchfield IL 62056	Trustee 20.00	122,790.	0	0.
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2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

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

► 0

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

3 Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."			
	(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
1	None		
2			
3			
4			
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	None	
2		0.
3		
4		

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	None	
2		0.
3	All other program-related investments. See instructions	
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 19, 676, 670.
b	Average of monthly cash balances	1b 93, 649.
c	Fair market value of all other assets (see instructions)	1c
d	Total (add lines 1a, b, and c)	1d 19, 775, 319
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2	Acquisition indebtedness applicable to line 1 assets	2
3	Subtract line 2 from line 1d	3 19, 775, 319.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 295, 630.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 19, 473, 630.
6	Minimum investment return. Enter 5% of line 5	6 973, 934.

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	1 973, 934.
2a	Tax on investment income for 2017 from Part VI, line 5	2a 8, 143.
b	Income tax for 2017 (This does not include the tax from Part VI)	2b
c	Add lines 2a and 2b	2c 8, 143
3	Distributable amount before adjustments Subtract line 2c from line 1	3 965, 736.
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5 965, 736.
6	Deduction from distributable amount (see instructions)	6
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 965, 786.

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 900, 000.
b	Program-related investments—total from Part IX-B	1b 0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the	
a	Suitability test (prior IRS approval required)	3a
b	Cash distribution test (attach the required schedule)	3b
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4 900, 000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b See instructions	5 8, 148.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 891, 852.

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 2010	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				965,736.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			399,963.	
b Total for prior years 20 20 20				
3 Excess distributions carryover, if any, to 2017				
a From 2012 0				
b From 2013 0				
c From 2014 0.				
d From 2015 0.				
e From 2016 0.				
f Total of lines 3a through e 0.				
4 Qualifying distributions for 2017 from Part XII, line 4 ► \$ 900,000				
a Applied to 2016 but not more than line 2a 399,963				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2017 distributable amount 37				
e Remaining amount distributed out of corpus 0.				
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d) the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c. and 4e Subtract line 5 0.				
b Prior years' undistributed income Subtract line 4b from line 2b 0.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
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 instructions 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)				965,749.
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions) 0.				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a 0.				
10 Analysis of line 9				
a Excess from 2013 0.				
b Excess from 2014 0.				
c Excess from 2015 0.				
d Excess from 2016 0.				
e Excess from 2017 0.				

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

N/A

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017 enter the date of the ruling ►				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
b	35% of line 2a				
c	Qualifying distributions from Part XII line 4 for each year listed				
d	Amounts included in line 2c not used directly for active conduct of exempt activities				
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
3	Complete 3a, b, or c for the alternative test relied upon				
a	Assets" alternative test—enter				
(1)	Value of all assets				
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	'Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed				
c	Support" alternative test—enter				
(1)	Total support other than gross investment income (interest, dividends rents payments on securities loans (section 512(a)(5)), or royalties)				
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3)	Largest amount of support from an exempt organization				
(4)	Gross investment income				
	Tax year				Prior 3 years
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	(e) Total

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))

N/A

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

N/A

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

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

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

See Supplementary Information Statement

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	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				
Litchfield Park District			Electric service emergency generator hook up	
Litchfield IL 62056			Renovation/equipment for Milnot Beach	11,750.
City of Litchfield				
Litchfield IL 62056			Summer feeding lunch program	35,000.
First Baptist Church				
Litchfield IL 62056			Bible study material	9,000
In Christ Alone Prison Ministry				
Litchfield IL 62056				1,000.
Zion Lutheran			Campaign new classrooms, etc.	
"Onward in Faith" Campaign				
Litchfield IL 62056			New website development	100,000
Litchfield Chamber of Commerce				
Litchfield IL 62056				
City of Litchfield Public Safety			Repeater,siren, generator,blinkers gear projects	5,500.
Litchfield IL 62056			Condemn/demolish derelict properties	65,000.
City of Litchfield Building Department				
Litchfield IL 62056			Landscape new library grounds	100,000
Litchfield Public Library District				
Litchfield IL 62056				5,000.
See Statement				
				567,750.
Total				► 3a 900,000.
b Approved for future payment				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

1 Program service revenue

a None

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****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****9 Net income or (loss) from special events****10 Gross profit or (loss) from sales of inventory****11 Other revenue**

a

b

c

d

e

12 Subtotal Add columns (b), (d), and (e)**13 Total Add line 12, columns (b), (d), and (e)**

(See worksheet in line 13 instructions to verify calculations)

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1					0.
2					0.
3					0.
4					0.
5					0.
6					0.
7					0.
8					0.
9					0.
10					0.
11					0.
12					0.
13					0.

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) (See instructions)

1 N/A

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		

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

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.

Sign
Here

Signature of officer or trustee

Dat

Trust Officer

May the IRS discuss this return with the preparer shown below? See instructions. Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Steven Alwardt, CPA	Steven Alwardt, CPA	07/09/2018		200524128
	Firm's name ►	Fleming, Tawfall & Company, PC	Firm's EIN ► 37-1240567		
Firm's address ►	PO Box 391	Phone no (217) 324-5971			

BAA

Litchfield

IL 62056

Form 990-PF (2017)

Name W. Garrell Hilton Foundation	Employer Identification No 37-1233371
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Line 16a - Legal Fees

Line 16b - Accounting Fees

Line 16c - Other Professional Fees

Name W. Durrell Hilton Foundation			Employer Identification No 37-1233371	
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Line 10a - Investments - US and State Government Obligations:	End of Year		End of Year	
	State and Local Obligations Book Value	State and Local Obligations FMV	US Government Obligations Book Value	US Government Obligations FMV
Calif 7.4343	107,763	140,331.		
IL State 5 1/3	53,843	96,451		
Marknam IL 7.43	32,690	32,307		
Oaklawn IL 5.33 1/3	101,323	103,142.		
Tot to Fm 990-PF, Pt II, Ln 10a	325,824	372,731.		

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
ADM Co 4425 shs	129,749.	193,461.
ADP Inc 2620 shs	87,289	340,652.
AGNC Inv't Corp 16280 shs	420,827.	419,129.
See L-10b Stmt	9,994,361.	16,962,610.
Totals to Form 990-PF, Part II, Line 10b	10,632,726.	17,915,852.

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
Abbott Labs	150,852.	153,199.
Aflac, Inc.	104,393.	125,548.
CitiGroup Inc.	101,144.	115,404.
See L- 10c Stmt	435,869.	461,272.
Totals to Form 990-PF, Part II, Line 10c	792,263.	855,423.

Line 12 - Investments - Mortgage loans:	End of Year	
	Book Value	Fair Market Value
Totals to Form 990-PF, Part II, Line 12		

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
Totals to Form 990-PF, Part II, Line 13		

Additional information from your 2017 Federal Exempt Tax Return

Form 990-PF: Return of Private Foundation

Line 4(b)

Itemization Statement

Description	Amount
Dividends and interest from securities	749,032.
Amortization of bond premium	-1,360.
Total	747,672.

Form 990-PF: Return of Private Foundation

Line 27(a)

Itemization Statement

Description	Amount
Initial principal investment	501,610.
Additional principal from Gates CRAT terminated	10,432,013.
Total	10,983,628.

Form 990-PF: Return of Private Foundation

Line 27(b)

Itemization Statement

Description	Amount
Initial principal investment	501,610.
Additional principal from Gates CRAT terminated	10,432,013.
Total	10,983,628.

Form 990-PF Part II Line 10, 12 and 13 Investments

L-10b Stmt

Continuation Statement

Line 10b Description	Line 10b Book	Line 10b FMV
Alliant Energy Corp 7690 shs	99,676.	318,520.
Allstate Corp 4517 shs	129,379.	422,249.
Ameren Corp 10654 shs	315,071.	630,610.
American Electric 3313 shs	131,857.	225,118.
Associated Banc Corp 7050 shs	74,850.	194,580.
AT&T Inc 14036 shs	444,977.	453,644.
Bank Amer Corp - 125 shs	103,499.	153,250.
Bristol Myers Squibb Co 5693 shs	129,893.	299,039.
Capstead Mtg Corp - 39695 shs	971,044.	1,001,763.
Chevron Corp 4349 shs	370,864.	540,531.
Cisco Systems 8650 shs	249,216.	369,442.
Citigroup Inc. - 13397 shs	381,032.	377,443.
Citigroup, Inc 5599 shs	246,066.	373,397
CocaCola Inc. 3126 shs	79,835.	134,418.
Country Bancorp Inc 500 shs	112,500.	200,000.
Country Bancorp Inc Class A 1623 shs	365,175.	649,200.
Duke Energy 4914 shs	230,081.	379,164.

Form 990-PF Part II Line 10, 12 and 13 Investments

L-10b Stmt

Continuation Statement

Line 10b Description	Line 10b Book	Line 10b FMV
Exxon Mobil Corp 2943 shs	239,513.	239,496.
Illinois Tool Works Inc 3375 shs	130,001.	464,933
Johnson & Johnson 1660 shs	99,975.	193,569
Keycorp New 20740 shs	130,194.	403,136.
Kimberly Clark Corp. 1325 shs	95,519.	190,102.
Lilly Eli & Co. 5060 shs	176,828.	430,302.
McDonalds 2440 shs	135,739.	390,424
Merck & Co Inc. 3110 shs	103,163.	185,138
Mercury Gerl Corp. 10011 shs	426,861.	471,613.
MFA Finl Inc. - 33057 shs	920,037.	970,453.
Microsoft Corp. 5130 shs	130,122.	511,931.
Morgan Stanley 6150 shs	175,730.	166,173.
OGE Energy Corp. 4438 shs	39,914.	155,419
Old Rep Intl Corp. 35001 shs	404,573.	734,321.
Otter Tail Corp. 6635 shs	167,655	303,847
Pepsico Inc. 1630 shs	100,065.	163,420
Petmed Express 15390 shs	202,455.	571,563.
Pfizer Inc. 8150 shs	129,925.	292,830.
PPL Corp. 6540 shs	181,652.	178,673
Regions Finl Corp. 21375 shs	130,249.	399,000.
Spire Inc 2390 shs	99,834.	205,913.
Suntrust Bks Inc. 5920 shs	130,270.	399,659.
Sysco Corp 4795 shs	129,726.	311,819.
The Travelers Companies Inc. 2553 shs	129,955.	328,112.
UPS Inc. 1325 shs	74,593.	153,859.
Valero Energy 2250 shs	140,191.	272,700.
Vectren Corp. 3596 shs	104,964.	254,093.
Verizon Communications 7317 shs	265,191.	372,636.
Walmart Stores Inc 1965 shs	99,437.	162,191.
WEA Energy Company 5110 shs	159,743.	322,697.
Total	9,994,861.	16,962,610.

Form 990-PF Part II Line 10, 12 and 13 Investments

L-10c Stmt

Continuation Statement

Ln 10c Description	Line 10c Book	Line 10c FMV
General Electric Capital Cor	150,000.	153,364.
JP Morgan Chase & Co	151,219.	155,305.
Loews Corp	104,650.	117,693.
Morgan Stanley	30,000.	29,904.
Total	435,369.	461,272.

Additional information from your Form 990-PF: Return of Private Foundation**Form 990-PF: Return of Private Foundation****Other Expenses****Continuation Statement**

Description	Revenue and Expense per Book	Net Investment Income	Adjusted Net Income	Disbursement for charitable purpose
AG-990 IL fee	15.	15.		
Total	15.	15.		

Form 990-PF: Return of Private Foundation

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

Continuation Statement

(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	(d) Date sold
American Water Works 500 sns	P	12/11/11	05/04/13
General Electric Co. 200 sns	P	12/18/02	01/05/13
General Electric Co. 1630 sns	P	08/13/03	01/05/13
General Electric Co. 1725 shs	P	03/25/09	01/05/13
General Electric Co. 1550 shs	P	12/07/09	01/05/13
General Electric Co. 622 sns	P	09/10/10	01/05/13
Petmed Express Inc. 400 shs	P	10/22/14	07/03/17
Petmed Express Inc. 563 sns	P	10/22/14	07/03/17
Petmed Express Inc. 847 shs	P	10/22/14	07/03/17
PG&E Corp. 100 shs	P	10/11/11	03/12/13
PG&E Corp. 1030 shs	P	10/11/11	03/12/13
PG&E Corp. 475 sns	P	10/23/09	03/12/13
PG&E Corp. 495 sns	P	10/02/09	03/12/13
Regions Finl Corp. 1630 shs	P	11/09/16	05/04/13
Regions Finl Corp. 1490 sns	P	10/19/16	05/04/13
Regions Finl Corp. 600 shs	P	10/19/16	05/04/13
Regions Finl Corp. 1900 sns	P	10/19/16	05/04/13
Regions Finl Corp. 100 shs	P	10/19/16	05/04/13
Regions Finl Corp. 1705 sns	P	09/15/16	05/04/13
Regions Finl Corp. 20 shs	P	09/15/16	05/04/13
Regions Finl Corp. 1320 sns	P	03/10/15	05/04/13
Regions Finl Corp. 2000 shs	P	03/10/15	05/04/13
Regions Finl Corp. 621 shs	P	03/09/15	05/04/13
Regions Finl Corp. 1379 sns	P	03/09/15	05/04/13
(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)
42,633.		15,035.	27,593.
3,726.		5,217.	-1,491.
31,486.		49,902.	-18,416.
32,133.		24,975.	7,163.
28,877.		24,995.	3,332.
11,583		9,999.	1,589.
16,245.		6,518.	9,727.
23,068.		10,053.	13,010.
34,399.		14,992.	19,407.
4,203.		4,243.	-40.
45,392.		45,714.	-322.
19,964.		19,834.	80.
20,804.		19,842.	962.
50,227.		50,148.	79
40,895.		43,654.	-2,759.
16,463.		17,571.	-1,103.
52,148.		55,623.	-3,475.
2,745.		2,927.	-132.
46,796.		49,409.	-2,613.
549.		533.	-39.
36,229.		33,525.	2,704.
54,893.		50,790.	4,103.
17,044.		15,740.	1,304

Form 990-PF: Return of Private Foundation

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

Continuation Statement

37,349.		34,930.	2,919
670,366	0	606,279.	64,087
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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
			27,593.
			-1,491.
			-12,416.
			7,163.
			3,332.
			1,589.
			9,727.
			13,010.
			19,407.
			-40
			-322.
			80.
			962.
			79.
			-2,759.
			-1,103.
			-3,475.
			-122.
			-2,613
			-39.
			2,704.
			4,103.
			1,304.
			2,919.
0.	0.	0.	64,087.

ATT. # 7

Form 990-PF: Return of Private Foundation

Part XV, Line 3a: Grants and Contributions Paid During the Year

Continuation Statement

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
<i>a Paid during the year</i>				
Litchfield Museum & Pt 66 Welcome Center Litchfield, IL 62056	.	.	West area developmentwest area development	10,000.
Elizabeth Ann Seton Program Litchfield, IL 62056	.	.	Baby care itemsBaby care items	2,000
Litchfield Christmas Basket Association Litchfield, IL 62056	.	.	Christmas basketChristmas basket items	2,000.
Breaking Bread Association Litchfield, IL 62056	.	.	Free weekly mealFree weekly meal program	4,000
Hearts United Litchfield, IL 62056	.	.	Facility developmentFacility development / renovations	55,000
CEFS Economic Opportunity Corp. Litchfield, IL 62056	.	.	Heat sealant trays-Heat sealant trays-meals on wheels	8,600
Youth United Litchfield, IL 62056	.	.	Building maintenanceBuilding maintenance / renovation	1,350.
Montgomery County Ag in the Classroom Litchfield, IL 62056	.	.	embryology equipmentembryology equipment	1,300.
Montgomery County 4-H Foundation Litchfield, IL 62056	.	.	Package food Illini Package food Illini Fighting Hunger Program	1,000
HSHS St. Francis Hospital Litchfield, IL 62056	.	.	Orthopedic patientOrthopedic patient care area renovation	50,000.
HSHS St. Francis Hospital Litchfield, IL 62056	.	.	Uroview machineUroview machine	100,000.
Montgomery County Cancer Association Litchfield, IL 62056	.	.	Financial assistanceFinancial assistance grants for cancer patients	5,000.
MAKE IT Program Litchfield, IL 62056	.	.	Scholarships forScholarships for needy student families	18,000
Litchfield Community School District #12 Litchfield, IL 62056	.	.	Improve/ advanceImprove/ advance technology	40,000.

Form 990-PF: Return of Private Foundation

Part XV, Line 3a: Grants and Contributions Paid During the Year

Continuation Statement

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
<i>a Paid during the year</i>				
Litchfield Community School District #12 Litchfield, IL 62056			Website, video, audio/Website, video, audio/ signage electronics, etc.	256,000.
Elmwood Cemetery Association Litchfield, IL 62056		.	Entrance gate repair Entrance gate repair	10,000
St. John's Lutheran Cemetery Litchfield, IL 62056		.	Leveling gravestones Leveling gravestones	2,000.
Paws Care of Montgomery County Litchfield, IL 62056		.	Spay and neuter Spay and neuter program	1,000.
				567,750.

Form 990-PF: Return of Private Foundation
Part XV, Line 2: Supplementary Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc.

Continuation Statement

Name and Address Information	Form Information	Form Information	Submission Information	Restrictions
Advisory Committee, W D Kilton Foundation C/o Bank & Trust Co P O Box 410 Litchfield, IL 62056 217-324-3935	Petition to the advisory committee stating facts as to eligibility and merits supporting request for funds.	N/A		Organizations exempt under IRS Code Sec-b01 primarily for Litchfield, IL and surrounding area.