

Form **990-PF**

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service**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.

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning , 2018, and ending ,

THOMAS J BEATSON JR FOUNDATION INC
2158 N GILBERT ROAD, SUITE 117
MESA, AZ 85203

A Employer identification number
20-8112510

B Telephone number (see instructions)
480-834-3550

C If exemption application is pending, check here ▶ ☐ **6**

D 1 Foreign organizations, check here ▶ ☐

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

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

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

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, column (c), line 16)
▶ \$ 45,963,367.

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) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	1,380,673.	1,380,673.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-60,491.			
	b Gross sales price for all assets on line 6a 12,224,506.				
	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 Loss: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	1,320,182.	1,380,673.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	180,000.	27,000.		90,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 1	21,381.	2,138.		2,138.
	c Other professional fees (attach sch) See St 2	458,434.	458,434.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 3	39,178.	12,178.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	2,187.			
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 4	11,866.			3,944.
	24 Total operating and administrative expenses. Add lines 13 through 23	713,046.	499,750.		96,082.
	25 Contributions, gifts, grants paid Part XV	2,168,000.			2,168,000.
26 Total expenses and disbursements. Add lines 24 and 25	2,881,046.	499,750.		2,264,082.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-1,560,864.				
b Net investment income (if negative, enter -0-)		880,923.			
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash — non-interest-bearing			
	2	Savings and temporary cash investments	1,214,638.	1,184,055.	1,184,055.
	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 sch)			
		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) Statement 5	713,482.	1,821,722.	1,814,225.
	b	Investments — corporate stock (attach schedule) Statement 6	17,485,487.	17,062,246.	17,582,132.
	c	Investments — corporate bonds (attach schedule) Statement 7	5,310,628.	5,507,672.	5,393,957.
Liabilities	11	Investments — land, buildings, and equipment basis			
		Less: accumulated depreciation (attach schedule)			
	12	Investments — mortgage loans			
	13	Investments — other (attach schedule) Statement 8	23,053,027.	20,642,250.	19,988,998.
	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)	47,777,262.	46,217,945.	45,963,367.
Net Assets or Fund Balances	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31. <input type="checkbox"/>	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds	47,423,192.	46,217,945.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	354,070.		
	30	Total net assets or fund balances (see instructions)	47,777,262.	46,217,945.	
Net Assets or Fund Balances	31	Total liabilities and net assets/fund balances (see instructions)	47,777,262.	46,217,945.	

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	47,777,262.
2	Enter amount from Part I, line 27a	2	-1,560,864.
3	Other increases not included in line 2 (itemize) <u>See Statement 9</u>	3	1,547.
4	Add lines 1, 2, and 3	4	46,217,945.
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	46,217,945.

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)
1 a PUBLICLY TRADED SECURITIES		P		
b Capital gain dividends				
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 12,220,573.		12,284,997.	-64,424.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
(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	
a			-64,424.
b			3,933.
c			
d			
e			

2 Capital gain net income or (net capital loss).	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	-60,491.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) See instructions. If (loss), enter -0- in Part I, line 8 </div>		3	-64,424.

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))
2017	1,286,311.	46,413,660.	0.027714
2016		397,773.	
2015	299,778.	527,125.	0.568704
2014		667,940.	
2013	1,942.	639,493.	0.003037

2 Total of line 1, column (d)	2	0.599455
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	0.119891
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	49,232,192.
5 Multiply line 4 by line 3	5	5,902,497.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,809.
7 Add lines 5 and 6	7	5,911,306.
8 Enter qualifying distributions from Part XII, line 4	8	2,264,082.

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)

1 a 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 type="checkbox"/> and enter 1% of Part I, line 27b		1	17,618.
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	17,618.
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	17,618.
6 Credits/Payments			
a 2018 estimated tax pmts and 2017 overpayment credited to 2018	6 a	24,867.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	24,867.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	7,249.	
11 Enter the amount of line 10 to be: Credited to 2019 estimated tax <input type="checkbox"/> 7,249. Refunded <input type="checkbox"/> 0.	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		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 type="checkbox"/> \$ 0. (2) On foundation managers <input 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 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
4 a 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?		N/A
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?	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
8 a Enter the states to which the foundation reports or with which it is registered. See instructions AZ		
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	8 b	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 2018 or the tax year beginning in 2018? See the instructions for Part XIV. If 'Yes,' complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	10	X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement. See instructions	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X
14 The books are in care of <u>ROBERT L PACKARD</u> Telephone no <u>480-834-3550</u> Located at <u>2158 N GILBERT ROAD, SUITE 117 MESA AZ</u> ZIP + 4 <u>85203</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 <u>N/A</u>	15	N/A
16 At any time during calendar year 2018, 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
1 a 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 checked="" type="checkbox"/> Yes <input 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 <input type="checkbox"/>	1 b	X
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 2018?	1 c	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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>		
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.)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
3 a 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 2018 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 2018)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2018?	4 b	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 instructionsOrganizations relying on a current notice regarding disaster assistance, check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

N/A

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? ☐ Yes ☒ 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? ☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

N/A

8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? ☐ Yes ☒ No**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
JAMES G LECHEMINANT 2426 E IVY ST MESA, AZ 85213	Director 8.00	60,000.	0.	0.
ROBERT L PACKARD 664 W ESTRELLA DRIVE GILBERT, AZ 85233	President 8.00	60,000.	0.	0.
BRENT D ELLSWORTH 4445 E HOLMES AVE, SUITE 106 MESA, AZ 85206	VP/SECRETARY 8.00	60,000.	0.	0.

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

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

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

0

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		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.

1	<u>N/A</u>	
2		
3		
4		

Part IX-B	Summary of Program-Related Investments (see instructions)
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Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2:	
1	<u>N/A</u>
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	
	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	1 a	48,737,552.
b Average of monthly cash balances	1 b	1,244,369.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	49,981,921.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	49,981,921.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	749,729.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	49,232,192.
6 Minimum investment return. Enter 5% of line 5	6	2,461,610.

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	2,461,610.
2a Tax on investment income for 2018 from Part VI, line 5	2 a	17,618.
b Income tax for 2018 (This does not include the tax from Part VI)	2 b	
c Add lines 2a and 2b	2 c	17,618.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	2,443,992.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	2,443,992.
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	2,443,992.

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	1 a	2,264,082.
b Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	2,264,082.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,264,082.

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				2,443,992.
2 Undistributed income, if any, as of the end of 2018:				
a Enter amount for 2017 only			741,537.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2018:				
a From 2013				
b From 2014				
c From 2015				
d From 2016				
e From 2017				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2018 from Part XII, line 4. \$ 2,264,082.				
a Applied to 2017, but not more than line 2a			741,537.	
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 2018 distributable amount				1,522,545.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions.		0.		
e Undistributed income for 2017. Subtract line 4a from line 2a Taxable amount — see instructions.			0.	
f Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019				921,447.
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 2013 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2014				
b Excess from 2015				
c Excess from 2016				
d Excess from 2017				
e Excess from 2018				

BAA

Form 990-PF (2018)

Part XIV	Private Operating Foundations (see instructions and Part VII-A, question 9)
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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 2018, 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)

- 2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

[illegible]

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

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

- c Any submission deadlines:**

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

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

<div>Recipient</div> <div>Name and address (home or business)</div>	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
<div>a Paid during the year</div> <div>See Statement 11</div>				
Total			▶ 3a	2,168,000.
<div>b Approved for future payment</div>				
Total			▶ 3b	

Part XVI-A	Analysis of Income-Producing Activities
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Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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	1,380,673.	
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	-60,491.	
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)				1,320,182.	
13	Total. Add line 12, columns (b), (d), and (e)				13	1,320,182.

(See worksheet in line 13 instructions to verify calculations)

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

THOMAS J BEATSON JR FOUNDATION INC

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Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
PACKARD & APPLEBY, P.C.	\$ 21,381.	\$ 2,138.		\$ 2,138.
Total	<u>\$ 21,381.</u>	<u>\$ 2,138.</u>		<u>\$ 2,138.</u>

Statement 2
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT ADVISORY FEES	\$ 458,434.	\$ 458,434.		
Total	<u>\$ 458,434.</u>	<u>\$ 458,434.</u>		<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ESTIMATED TAX PAYMENTS	\$ 12,000.			
FEDERAL TAX PAYMENT	15,000.			
FOREIGN TAXES PAID	12,178.	\$ 12,178.		
Total	<u>\$ 39,178.</u>	<u>\$ 12,178.</u>		<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ADVERTISING	\$ 3,944.			\$ 3,944.
AZ CORPORATION COMMISSION FEE	10.			
BANK FEES	344.			
LIABILITY INSURANCE	2,837.			
MARKETING	1,812.			
POSTAGE	24.			
WEBSITE DESIGN	2,895.			
Total	<u>\$ 11,866.</u>	<u>\$ 0.</u>		<u>\$ 3,944.</u>

THOMAS J BEATSON JR FOUNDATION INC

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Statement 5
Form 990-PF, Part II, Line 10a
Investments - U.S. and State Government Obligations

<u>U.S. Government Obligations</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
MERRILL LYNCH A/C #412-02469	Cost	\$ 1,190,960.	\$ 1,189,458.
MERRILL LYNCH A/C #412-03276	Cost	630,762.	624,767.
	Total	<u>\$ 1,821,722.</u>	<u>\$ 1,814,225.</u>

Statement 6
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
MERRILL LYNCH A/C #412-02469	Cost	\$ 6,183.	\$ 7,833.
MERRILL LYNCH A/C #412-03270	Cost	2,489,148.	2,265,035.
MERRILL LYNCH A/C #412-03271	Cost	1,695,455.	1,912,461.
MERRILL LYNCH A/C #412-03272	Cost	732,944.	677,221.
MERRILL LYNCH A/C #412-03273	Cost	341,428.	356,534.
MERRILL LYNCH A/C #412-03274	Cost	914,505.	991,256.
MERRILL LYNCH A/C #412-03275	Cost	944,039.	955,496.
AMERITRADE A/C #960-182172	Cost	9,938,544.	10,416,296.
	Total	<u>\$ 17,062,246.</u>	<u>\$ 17,582,132.</u>

Statement 7
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
MERRILL LYNCH A/C #412-02469	Cost	\$ 0.	\$ 0.
MERRILL LYNCH A/C #412-03276	Cost	343,483.	322,813.
MERRILL LYNCH A/C #412-03277	Cost	1,915,753.	1,854,294.
AMERITRADE A/C #960-182172	Cost	3,248,436.	3,216,850.
	Total	<u>\$ 5,507,672.</u>	<u>\$ 5,393,957.</u>

Statement 8
Form 990-PF, Part II, Line 13
Investments - Other

<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
MERRILL LYNCH A/C #412-02469	Cost	\$ 12,282,754.	\$ 12,356,597.
MERRILL LYNCH A/C #412-03276	Cost	964,310.	933,876.
AMERITRADE A/C #960-182172	Cost	1,591,904.	1,498,756.
AMERITRADE A/C #960-182172	Cost	5,803,282.	5,199,769.

THOMAS J BEATSON JR FOUNDATION INC

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Statement 8 (continued)
Form 990-PF, Part II, Line 13
Investments - Other

	Valuation Method	Book Value	Fair Market Value
<u>Other Publicly Traded Securities</u>			
	Total	\$ 20,642,250.	\$ 19,988,998.

Statement 9
Form 990-PF, Part III, Line 3
Other Increases

LEGAL FEE REIMBURSEMENT	Total	\$ 1,547.
		\$ 1,547.

Statement 10
Form 990-PF, Part VII-A, Line 8b
Copies of Form 990-PF to State Officials

NOT REQUIRED IN ARIZONA

Statement 11
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
JOSLIN DIABETES CENTER ONE JOSLIN PLACE BOSTON MA 02215		PC	DIABETES RESEARCH	\$ 750,000.
ABHOW FOUNDATION 6120 STONERIDGE MALL RD, 3RD FL PLEASANTON CA 94588		PC	TYPE 1 DIABETES MEDICAL ASSISTANCE	400,000.
DIABETES ACTION RESEARCH & EDUCATION FDN 6701 DEMOCRACY BLVD, SUITE 300 BETHESDA MD 20817		PC	DIABETES RESEARCH	200,000.
PHOENIX CHILDREN'S HOSPITAL FOUNDATION 2929 E CAMELBACK RD, #122 PHOENIX AZ 85016		PC	SUPPORT THE HIGH RISK TYPE I DIABETES PROGRAM	268,000.

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Statement 11 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
CITY OF HOPE 1500 E DUARTE ROAD DUARTE CA 91010		PC	DIABETES RESEARCH	\$ 250,000.
UNIVERSITY OF ARIZONA FOUNDATION 1111 NORTH CHERRY AVENUE TUCSON AZ 85721		PC	DIABETES RESEARCH	300,000.
Total				<u>\$ 2,168,000.</u>

THOMAS J BEATSON JR FOUNDATION INC

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Average Monthly Fair Market Value of Securities
Form 990-PF, Part X, Line 1a

Security	January	February	March	April	May	June	July	August	September	October	November	December
	50,330,167	49,705,533	48,675,928	48,600,553	48,590,629	48,629,254	49,115,662	49,868,650	49,597,373	48,219,619	47,397,142	46,120,118
Averages	<u>50,330,167</u>	<u>49,705,533</u>	<u>48,675,928</u>	<u>48,600,553</u>	<u>48,590,629</u>	<u>48,629,254</u>	<u>49,115,662</u>	<u>49,868,650</u>	<u>49,597,373</u>	<u>48,219,619</u>	<u>47,397,142</u>	<u>46,120,118</u>
Totals	<u>584,850,628</u>											
			Number of Months		<u>12</u>							

Average Monthly Fair Market Value 48,737,552

THOMAS J BEATSON JR FOUNDATION INC

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Average Monthly Cash Balances
Form 990-PF, Part X, Line 1b

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