

For calendar year 2018, or tax year beginning 01-01-2018, and ending 12-31-2018

Name of foundation MADRONA HILL FOUNDATION		A Employer identification number 26-1478178	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 4514		Room/suite	B Telephone number (see instructions) (503) 991-6559
City or town, state or province, country, and ZIP or foreign postal code SALEM, OR 97302		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 4,531,467		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	
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)	512,247			
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	663	663		
	4 Dividends and interest from securities	107,132	107,132		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	107,614			
	b Gross sales price for all assets on line 6a _____ 677,022				
	7 Capital gain net income (from Part IV, line 2)		107,614		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	36	36		
	12 Total. Add lines 1 through 11	727,692	215,445		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	533	0		533
	b Accounting fees (attach schedule)	3,500	1,750		1,750
	c Other professional fees (attach schedule)	46,212	46,212		0
	17 Interest	10	10		0
	18 Taxes (attach schedule) (see instructions)	6,222	2,889		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,250	0		1,332
	24 Total operating and administrative expenses. Add lines 13 through 23	57,727	50,861		3,615
	25 Contributions, gifts, grants paid	481,565			531,565
	26 Total expenses and disbursements. Add lines 24 and 25	539,292	50,861		535,180
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	188,400			
	b Net investment income (if negative, enter -0-)		164,584		
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 (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	402,797	541,314	541,314
	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)	96,408	190,190	190,225
	b	Investments—corporate stock (attach schedule)	192,128	112,284	84,449
	c	Investments—corporate bonds (attach schedule)	112,023	92,498	92,549
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	4,117,916	4,094,215	3,608,700
	14	Land, buildings, and equipment basis ▶ _____ 3,719 Less accumulated depreciation (attach schedule) ▶ 3,719			
15	Other assets (describe ▶ _____)	3,064	14,230	14,230	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,924,336	5,044,731	4,531,467	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	50,000		
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)	18,809	804	
	23	Total liabilities (add lines 17 through 22)	68,809	804	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	0	0	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	4,855,527	5,043,927	
	30	Total net assets or fund balances (see instructions)	4,855,527	5,043,927	
31	Total liabilities and net assets/fund balances (see instructions) .	4,924,336	5,044,731		

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	4,855,527
2	Enter amount from Part I, line 27a	2	188,400
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	5,043,927
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	5,043,927

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)
1 a PUBLICLY TRADED SECURITIES	P		
b CAPITAL GAINS DIVIDENDS	P		
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 611,302		569,408	41,894
b 65,720			65,720
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
a			41,894
b			65,720
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	107,614
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 does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see 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	170,855	3,148,513	0 054265
2016	1,077,168	2,758,655	0 390469
2015	21,866	2,268,837	0 009638
2014	934,961	715,217	1 307241
2013	116,150	720,053	0 161308

2 Total of line 1, column (d)	2	1 922921
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 384584
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	4,710,263
5 Multiply line 4 by line 3	5	1,811,492
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,646
7 Add lines 5 and 6	7	1,813,138
8 Enter qualifying distributions from Part XII, line 4	8	535,180

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	3,292
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	3,292
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	3,292
6	Credits/Payments		
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	14,880
b	Exempt foreign organizations—tax withheld at source	6b	
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	14,880
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	41
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	11,547
11	Enter the amount of line 10 to be Credited to 2019 estimated tax ☐ 11,547 Refunded ☐	11	0

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?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? (see Instructions for 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	1b		No
c	Did the foundation file Form 1120-POL for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ 0 (2) On foundation managers ☐ \$ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ OR _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	Yes	
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 taxable year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

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.	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	Yes	
14	The books are in care of ► THE FOUNDATION Telephone no ► (503) 991-6559			

Located at **►** PO BOX 4514 SALEM OR ZIP+4 **►** 97302

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —check here ► ☐	15		
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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes", enter the name of the foreign country ►	16	Yes	No

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)		Yes	No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance check here. ► ☐	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	1c		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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? If "Yes," list the years ► 20____, 20____, 20____, 20____ ☐ 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).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		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 2018?	4b		No

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

		Yes	No
5a	During the year did the foundation pay or incur any amount to		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions.	☐ Yes	☒ No
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions.	5b	
	Organizations relying on a current notice regarding disaster assistance check here.	☐	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945–5(d)	☐ Yes	☐ No
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	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	
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 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, 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
See Additional Data Table				
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 (continued)
3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services. ►		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	
2	
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	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ►	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities.	1a	4,618,832
b	Average of monthly cash balances.	1b	163,161
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	4,781,993
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	4,781,993
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	71,730
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	4,710,263
6	Minimum investment return. Enter 5% of line 5.	6	235,513

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	235,513
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	3,292
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	3,292
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	232,221
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	232,221
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	232,221

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	535,180
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	535,180
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	535,180

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				232,221
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2018				
a From 2013.	82,245			
b From 2014.	899,928			
c From 2015.				
d From 2016.	939,945			
e From 2017.	33,251			
f Total of lines 3a through e.	1,955,369			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 535,180				
a Applied to 2017, 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 2018 distributable amount.				232,221
e Remaining amount distributed out of corpus	302,959			
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	2,258,328			
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				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 2013 not applied on line 5 or line 7 (see instructions).	82,245			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	2,176,083			
10 Analysis of line 9				
a Excess from 2014.	899,928			
b Excess from 2015.				
c Excess from 2016.	939,945			
d Excess from 2017.	33,251			
e Excess from 2018.	302,959			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling. ▶

b Check box to indicate whether the organization 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

	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

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. See instructions.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed
MARK BURNHAM
PO BOX 4514
SALEM, OR 97302
(503) 364-4910

b The form in which applications should be submitted and information and materials they should include
ALL REQUESTS MUST BE MADE IN WRITING THE FOUNDATION DOES NOT HAVE A STANDARD FORM FOR THE APPLICATION

c Any submission deadlines
THE BOARD MEETS TO REVIEW REQUESTS ON 4/30 AND 10/30 OF EACH YEAR, AND WILL RESPOND WITHIN 60 DAYS

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
THE FOUNDATION HAS SET NO RESTRICTIONS, HOWEVER THE FOCUS IS ON CHILDREN AND EDUCATION

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 <i>Paid during the year</i>				
See Additional Data Table				
Total			▶ 3a	
b <i>Approved for future payment</i>				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2018)

Part XVII

- | | | | |
|---|----|--|----|
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. | 1c | | No |
|---|----|--|----|

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

- 2d Is the foundation an entity or individual, animated (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

**Sign
Here**

Paid Preparer Use Only	ANGELA M WOODS CPA			
	Firm's name ► GROVE MUELLER & SWANK PC Firm's EIN ► 93-0874157			

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
MARK BURNHAM	SECRETARY/TREASURER 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				
CHERYL BURNHAM	PRESIDENT 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				
GRACE BURNHAM	VICE PRESIDENT 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				
ANNE BURNHAM	VICE PRESIDENT 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				
GORDON BURNHAM	VICE PRESIDENT 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				
MARK HOYT	VICE PRESIDENT 1 00	0	0	0
PO BOX 4514 SALEM, OR 97302				

Form 990PF Part XV Line 1a - 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).

MARK BURNHAM
CHERYL BURNHAM

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
BOYS & GIRLS CLUB OF SALEM MARION AND POLK COUNTIES 1395 SUMMER ST NE SALEM, OR 97301	NONE	PC	COMMUNITY SUPPORT	50,000
FAMILY BUILDING BLOCKS 2425 LANCASTER DR NE SALEM, OR 97305	NONE	PC	GENERAL OPERATING EXPENSES OF RELIEF NURSERY	50,000
THE GLEASON INITIATIVE FOUNDATION PO BOX 24493 NEW ORLEANS, LA 70184	NONE	PC	ALS RESEARCH (LOU GEHRIG'S DISEASE)	5,000
Total ▶ 3a				531,565

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
UNIV OF MONTANA FOUNDATION PO BOX 7159 MISSOULA, MT 59807	NONE	PC	FACULTY SUPPORT DEAN OF THE COLLEGE OF BUSINESS	314,215
LUVABLE DOG RESCUEPO BOX 50367 EUGENE, OR 97405		PC	GENERAL OPERATING EXPENSES	10,000
ST FRANCIS SHELTER 1820 BERRY ST SE SALEM, OR 97302		PC	GENERAL OPERATING EXPENSES	17,350
Total ▶ 3a				531,565

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
ISAAC'S ROOM299 COTTAGE ST NE SALEM, OR 97301		PC	GENERAL OPERATING EXPENSES	60,000
UNITED WAY455 BLILER AVE NE SALEM, OR 97301		PC	YOUTH SHELTER	25,000
Total ▶ 3a				531,565

TY 2018 Accounting Fees Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	3,500	1,750		1,750

TY 2018 Investments Corporate Bonds Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178**Investments Corporate Bonds Schedule**

Name of Bond	End of Year Book Value	End of Year Fair Market Value
JP MORGAN CHASE & CO BOND PERPETUAL	7,298	6,904
PROVIDENCE HEALTH SERVICES	5,147	5,094
POTLATCH DELTIC CORP	15,424	15,529
GLATFELTER NOTE	5,086	4,956
ELECTRONIC ARTS INC NOTE	5,041	5,035
HECLA MNG CO NOTE CALL	8,768	9,800
NCR CORP NEW	5,170	4,875
OLIN CORP NOTE CALL	5,050	5,050
PERSHING ROAD DEVELOPMENT CO NOTE	9,768	9,850
MURPHY OIL CORP	4,157	4,708
DILLARD DEPT STORES INC	5,635	5,510
IRON MTN INC DEL NOTE CALL	5,217	5,063
DIAMOND 1 FIN CORP/DIAMOND 2 NOTE	10,737	10,175

TY 2018 Investments Corporate Stock Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178**Investments Corporation Stock Schedule**

Name of Stock	End of Year Book Value	End of Year Fair Market Value
LEHMAN BRTH HLD ESCROW DPS	19,500	0
ABERDEEN ASIA PACIFIC INCOM FD COM	5,992	5,418
TCW STRATEGIC INCOME FUND INC COM	4,148	4,084
BROOKFIELD DTLA FD OFFICE TR	71,227	64,036
PUBLIC STORAGE 5.375%	4,644	4,633
PUBLIC STORAGE 6.375%	6,773	6,278

TY 2018 Investments Government Obligations Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178**US Government Securities - End
of Year Book Value:**

0

**US Government Securities - End
of Year Fair Market Value:**

0

**State & Local Government
Securities - End of Year Book
Value:**

190,190

**State & Local Government
Securities - End of Year Fair
Market Value:**

190,225

TY 2018 Investments - Other Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
DFA GLOBAL REAL ESTATE SEC PORTFOLIO	AT COST	192,059	172,563
DFA US HIGH RELATIVE PROFIT PORT INSTL	AT COST	610,160	583,768
DFA INTL HIGH REL PROF PORT INSTL	AT COST	341,830	293,929
DFA INT'L SMALL CAP VALUE	AT COST	443,955	350,361
DFA US LARGE CAP VALUE PRTF INSTL	AT COST	148,012	146,520
DFA US TARGETED VALUE PRTF INSTL	AT COST	920,509	733,362
DFA INTL SMALL CAP VALUE	AT COST	272,170	211,038
DFA INTERNATIONAL VALUE PRTF INSTL	AT COST	28,940	28,540
DFA INTERNATIONAL VALUE PRTF INSTL	AT COST	246,872	243,455
STONERIDGE ALTERN TV LENDING RISK PREM	AT COST	113,045	111,702
STONERIDGE REINSURAC RISK PREM INTERVAL	AT COST	238,162	207,120
STONERIDGE ALTERNATV LENDING RISK PREM	AT COST	115,912	114,527
SALIENT MLP & ENERGY INFRASTRUCTURE	AT COST	14,757	11,909
STONERIDGE ALTERNATV LENDING RISK PREM	AT COST	23,209	22,608
STONERIDGE REINSURAC RISK PREM INTERVAL	AT COST	10,686	9,186
AB INCOME FUND ADVISOR	AT COST	8,572	8,588
ANGEL OAK MULTISTRATEGY INCOME CL A	AT COST	6,172	6,120
LOOMIS SAYLES BOND RETAIL SHARES	AT COST	22,284	20,775
STONERIDGE REINSURAC RISK PREM INTERVAL	AT COST	9,825	8,446
VANECK VECTORS ETF TR JP MORGAN MKTS	AT COST	50,491	46,761
DFA EMERGING MRKTS TARGET VAL PORT INST	AT COST	276,593	277,422

TY 2018 Legal Fees Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	533	0		533

TY 2018 Other Assets Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
INTEREST RECEIVABLE	2,670	2,212	2,212
DIVIDENDS RECEIVABLE	394	471	471
PREPAID FEDERAL TAX	0	11,547	11,547

TY 2018 Other Expenses Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OFFICE EXPENSES	296	0		296
STATE FEES	954	0		1,036

TY 2018 Other Income Schedule

Name: MADRONA HILL FOUNDATION

EIN: 26-1478178

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
OTHER RECEIPTS	36	36	36

TY 2018 Other Liabilities Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Description	Beginning of Year - Book Value	End of Year - Book Value
STATE TAX PAYABLE	886	804
FEDERAL TAX PAYABLE	17,923	0

TY 2018 Other Professional Fees Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	46,212	46,212		0

TY 2018 Taxes Schedule**Name:** MADRONA HILL FOUNDATION**EIN:** 26-1478178

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	2,889	2,889		0
FEDERAL TAX	3,333	0		0

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93491178008059	
Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service		Schedule of Contributors ▶ Attach to Form 990, 990-EZ, or 990-PF ▶ Go to www.irs.gov/Form990 for the latest information			OMB No 1545-0047 2018
Name of the organization MADRONA HILL FOUNDATION				Employer identification number 26-1478178	
Organization type (check one)					
Filers of:Section: Form 990 or 990-EZ ☐ 501(c)() (enter number) organization ☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation ☐ 527 political organization Form 990-PF ☒ 501(c)(3) exempt private foundation ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation ☐ 501(c)(3) taxable private foundation					
Check if your organization is covered by the General Rule or a Special Rule. Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions					
General Rule ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or other property) from any one contributor Complete Parts I and II See instructions for determining a contributor's total contributions					
Special Rules ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹ 3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 <i>exclusively</i> for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions <i>exclusively</i> for religious, charitable, etc , purposes, but no such contributions totaled more than \$1,000 If this box is checked, enter here the total contributions that were received during the year for an <i>exclusively</i> religious, charitable, etc , purpose Don't complete any of the parts unless the General Rule applies to this organization because it received <i>nonexclusively</i> religious, charitable, etc , contributions totaling \$5,000 or more during the year ▶ \$					
Caution. An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)					
For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF		Cat No 30613X		Schedule B (Form 990, 990-EZ, or 990-PF) (2018)	

Name of organization MADRONA HILL FOUNDATION	Employer identification number 26-1478178
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Part I **Contributors** (See instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MARK AND CHERYL BURNHAM 3558 GRANDON LANE S SALEM, OR 97302	\$ 262,247	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
2	EDUCAP LLC 3558 GRANDON LANE S SALEM, OR 97302	\$ 250,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
.		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
.		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
.		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
.		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
.		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Employer identification number

26-1478178

Part II	Noncash Property
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Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Name of organization MADRONA HILL FOUNDATION	Employer identification number 26-1478178
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Part III	Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ _____ Use duplicate copies of Part III if additional space is needed
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(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4	Relationship of transferor to transferee	