

Form **990-PF**  
 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](http://www.irs.gov/Form990PF) for instructions and the latest information.**

OMB No 1545-0052  
**2018**  
**Open to Public Inspection**

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

Name of foundation Lily Lai Foundation		<b>A Employer identification number</b> 27-1159623
Number and street (or P O box number if mail is not delivered to street address) 4227 Mancilla Ct	Room/suite	<b>B Telephone number (see instructions)</b> (858) 537-7130
City or town, state or province, country, and ZIP or foreign postal code San Diego, CA 92130		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>G</b> Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/> <b>2.</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ <u>14,186,152</u>	<b>J</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions) )</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, etc., received (attach schedule)				
	<b>2</b> Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B				
	<b>3</b> Interest on savings and temporary cash investments	26,141	26,141		
	<b>4</b> Dividends and interest from securities	238,369	238,369		
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain or (loss) from sale of assets not on line 10	1,183,538			
	<b>b</b> Gross sales price for all assets on line 6a	6,106,442			
	<b>7</b> Capital gain net income (from Part IV, line 2)		1,183,538		
	<b>8</b> Net short-term capital gain				
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold					
<b>c</b> Gross profit or (loss) (attach schedule)					
<b>11</b> Other income (attach schedule)	2,500	2,500			
<b>12 Total.</b> Add lines 1 through 11	1,450,548	1,450,548			
<b>Operating and Administrative Expenses</b>	<b>13</b> Compensation of officers, directors, trustees, etc				
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule)				
	<b>b</b> Accounting fees (attach schedule)				
	<b>c</b> Other professional fees (attach schedule)				
	<b>17</b> Interest				
	<b>18</b> Taxes (attach schedule) (see instructions)	22,270	7,863		
	<b>19</b> Depreciation (attach schedule) and depletion				
	<b>20</b> Occupancy				
	<b>21</b> Travel, conferences, and meetings				
	<b>22</b> Printing and publications				
	<b>23</b> Other expenses (attach schedule)	2,634	1,964		
	<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	24,904	9,827		0
	<b>25</b> Contributions, gifts, grants paid	779,000			779,000
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	803,904	9,827		779,000	
<b>27</b> Subtract line 26 from line 12					
<b>a Excess of revenue over expenses and disbursements</b>	646,644				
<b>b Net investment income</b> (if negative, enter -0-)		1,440,721			
<b>c Adjusted net income</b> (if negative, enter -0-)					

<b>Part II Balance Sheets</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	20,542	29,687	29,687
	<b>2</b> Savings and temporary cash investments . . . . .	2,956,449	1,624,642	1,624,642
	<b>3</b> Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>4</b> Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>5</b> Grants receivable . . . . .			
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>8</b> Inventories for sale or use . . . . .			
	<b>9</b> Prepaid expenses and deferred charges . . . . .	17,499	16,662	16,662
	<b>10a</b> Investments—U S and state government obligations (attach schedule)			
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	12,163,347	12,515,161	12,515,161
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .			
	<b>11</b> Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	<b>12</b> Investments—mortgage loans . . . . .			
	<b>13</b> Investments—other (attach schedule) . . . . .			
	<b>14</b> Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
<b>15</b> Other assets (describe ▶ _____)				
<b>16 Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	15,157,837	14,186,152	14,186,152	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	525	110	
	<b>18</b> Grants payable . . . . .			
	<b>19</b> Deferred revenue . . . . .			
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons			
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .			
	<b>22</b> Other liabilities (describe ▶ _____)			
	<b>23 Total liabilities</b> (add lines 17 through 22) . . . . .	525	110	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	<b>24</b> Unrestricted . . . . .	15,157,312	14,186,042	
	<b>25</b> Temporarily restricted . . . . .			
	<b>26</b> Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 27 through 31.</b>			
	<b>27</b> Capital stock, trust principal, or current funds . . . . .			
	<b>28</b> Paid-in or capital surplus, or land, bldg, and equipment fund			
<b>29</b> Retained earnings, accumulated income, endowment, or other funds				
<b>30 Total net assets or fund balances</b> (see instructions) . . . . .	15,157,312	14,186,042		
<b>31 Total liabilities and net assets/fund balances</b> (see instructions) .	15,157,837	14,186,152		

<b>Part III Analysis of Changes in Net Assets or Fund Balances</b>		
<b>1</b> 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) . . . . .	<b>1</b>	15,157,312
<b>2</b> Enter amount from Part I, line 27a . . . . .	<b>2</b>	646,644
<b>3</b> Other increases not included in line 2 (itemize) ▶ _____	<b>3</b>	
<b>4</b> Add lines 1, 2, and 3 . . . . .	<b>4</b>	15,803,956
<b>5</b> Decreases not included in line 2 (itemize) ▶ _____	<b>5</b>	1,617,914
<b>6</b> Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	<b>6</b>	14,186,042

**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.)
<b>1 a</b> Publicly Traded Securities (Wells Fargo)	P		
<b>b</b> Publicly Traded Securities (Merrill)	P		
<b>c</b>			
<b>d</b>			
<b>e</b>			

(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)
<b>a</b> 2,626,281		1,561,164	1,065,117
<b>b</b> 3,480,161		3,361,740	118,421
<b>c</b>			
<b>d</b>			
<b>e</b>			

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	
<b>a</b>			1,065,117
<b>b</b>			118,421
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss)	2	1,183,538
<b>3</b> 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	1,183,538

**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	676,025	13,995,550	0.04830
2016	619,353	12,217,941	0.05069
2015	611,343	12,534,711	0.04877
2014	531,491	12,778,384	0.04159
2013	466,422	11,044,143	0.04223

<b>2</b> Total of line 1, column (d)	2	0.231593
<b>3</b> 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	0.046319
<b>4</b> Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	15,938,597
<b>5</b> Multiply line 4 by line 3	5	738,260
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	6	14,407
<b>7</b> Add lines 5 and 6	7	752,667
<b>8</b> Enter qualifying distributions from Part XII, line 4	8	779,000

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)

Table with 11 rows for excise tax calculations. Includes fields for exempt foundations, tax under section 511, subtitle A tax, and total credits. Total amount owed is 16,662, with 16,662 refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, 'Yes', and 'No' responses. Questions cover political activities, tax on political expenditures, and asset requirements.

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.
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
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of George Lai Telephone no (858) 537-7130
Located at 4227 Mancilla Ct San Diego CA ZIP+4 921302203
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
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

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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 ).
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
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?
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
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement-see instructions )
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
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 ).
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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?



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

<b>3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".</b>		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
<b>Total</b> number of others receiving over \$50,000 for professional services. . . . .		▶

**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
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b>	
<b>2</b>	
All other program-related investments. See instructions.	
<b>3</b>	
<b>Total.</b> Add lines 1 through 3 . . . . . ▶	

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities.	<b>1a</b>	13,147,071
<b>b</b>	Average of monthly cash balances.	<b>1b</b>	3,034,246
<b>c</b>	Fair market value of all other assets (see instructions).	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c).	<b>1d</b>	16,181,317
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	<b>1e</b>	0
<b>2</b>	Acquisition indebtedness applicable to line 1 assets.	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d.	<b>3</b>	16,181,317
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	<b>4</b>	242,720
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	15,938,597
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5.	<b>6</b>	796,930

**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.)

<b>1</b>	Minimum investment return from Part X, line 6.	<b>1</b>	796,930
<b>2a</b>	Tax on investment income for 2018 from Part VI, line 5.	<b>2a</b>	14,407
<b>b</b>	Income tax for 2018 (This does not include the tax from Part VI).	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b.	<b>2c</b>	14,407
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1.	<b>3</b>	782,523
<b>4</b>	Recoveries of amounts treated as qualifying distributions.	<b>4</b>	
<b>5</b>	Add lines 3 and 4.	<b>5</b>	782,523
<b>6</b>	Deduction from distributable amount (see instructions).	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	<b>7</b>	782,523

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26.	<b>1a</b>	779,000
<b>b</b>	Program-related investments—total from Part IX-B.	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required).	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule).	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	779,000
<b>5</b>	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.	<b>5</b>	14,407
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4.	<b>6</b>	764,593

**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
<b>1</b> Distributable amount for 2018 from Part XI, line 7				782,523
<b>2</b> Undistributed income, if any, as of the end of 2018				
<b>a</b> Enter amount for 2017 only. . . . .			582,112	
<b>b</b> Total for prior years 20___, 20___, 20___				
<b>3</b> Excess distributions carryover, if any, to 2018				
<b>a</b> From 2013. . . . .				
<b>b</b> From 2014. . . . .				
<b>c</b> From 2015. . . . .				
<b>d</b> From 2016. . . . .				
<b>e</b> From 2017. . . . .				
<b>f</b> Total of lines 3a through e. . . . .				
<b>4</b> Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ <u>779,000</u>				
<b>a</b> Applied to 2017, but not more than line 2a			582,112	
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
<b>d</b> Applied to 2018 distributable amount. . . . .				196,888
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6 Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
<b>e</b> Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019 . . . . .				585,635
<b>7</b> 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). . . . .				
<b>8</b> Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions). . . . .				
<b>9 Excess distributions carryover to 2019.</b> Subtract lines 7 and 8 from line 6a . . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2014. . . . .				
<b>b</b> Excess from 2015. . . . .				
<b>c</b> Excess from 2016. . . . .				
<b>d</b> Excess from 2017. . . . .				
<b>e</b> Excess from 2018. . . . .				

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

**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 email address of the person to whom applications should be addressed

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

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**c** Any submission deadlines

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





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

<b>(a)</b> Name and address	Title, and average hours per week <b>(b)</b> devoted to position	<b>(c)</b> Compensation <b>(If not paid, enter -0-)</b>	<b>(d)</b> Contributions to employee benefit plans and deferred compensation	Expense account, <b>(e)</b> other allowances
George Lai 4227 Mancilla Ct San Diego, CA 92130	President & Dir 5 00	0		
Edwin Luwa 4227 Mancilla Ct San Diego, CA 92130	Secretary & Dir 1 00	0		
Doreen Young 4227 Mancilla Ct San Diego, CA 92130	Treasurer & Dir 1 00	0		
Antoinette Haskel 4227 Mancilla Ct San Diego, CA 92130	Director 1 00	0		
Ching Huang 4227 Mancilla Ct San Diego, CA 92130	Director 1 00	0		

**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)				
<b>a</b> <i>Paid during the year</i>				
UC San Diego Foundation 9500 Gilman Drive San Diego, CA 92093	N/A	PC	Moore's Cancer Center Program	100,000
San Diego Public Library Foundation 330 Park Boulevard San Diego, CA 92101	N/A	PC	Program/General Support	100,000
Monarch School Project 1625 Newton Avenue San Diego, CA 92113	N/A	PC	Program/General Support	30,000
<b>Total . . . . .</b> ▶ <b>3a</b>				779,000

**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)				
<b>a</b> <i>Paid during the year</i>				
YWCA of San Diego County 1012 C Street San Diego, CA 92101	N/A	PC	Program/General Support	60,000
Feeding San Diego 9455 Waples Street Suite 135 San Diego, CA 92121	N/A	PC	Program/General Support	60,000
Children's Alopecia Project 906 Penn Avenue Wyomissing, PA 19610	N/A	PC	Program/General Support	3,000
<b>Total . . . . .</b> ▶ <b>3a</b>				779,000

**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)				
<b>a</b> <i>Paid during the year</i>				
Focusing Philanthropy 1637 16th Street Santa Monica, CA 90404	N/A	PC	Voices for Children (CASA) Program	100,000
Casa de Amparo 325 Buena Creek Road San Marcos, CA 92069	N/A	PC	Program/General Support	50,000
Just in Time for Foster Youth PO Box 81292 San Diego, CA 92138	N/A	PC	Program/General Support	30,000
<b>Total . . . . . ▶ 3a</b>				779,000

**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)				
<b>a</b> <i>Paid during the year</i>				
A Reason to Survive 200 E 12th Street National City, CA 91950	N/A	PC	Program/General Support	40,000
Reality Changers 3910 University Avenue Suite 300-RC San Diego, CA 92105	N/A	PC	Program/General Support	10,000
Community Resource Center 650 Second Steet Encinitas, CA 92024	N/A	PC	Program/General Support	10,000
<b>Total . . . . .</b>				779,000

**▶ 3a**

**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)				
<b>a</b> <i>Paid during the year</i>				
Computers 2 SD Kids8324 Miramar Mall San Diego, CA 92121	N/A	PC	Program/General Support	10,000
Promises2Kids9400 Ruffin Court Suite A San Diego, CA 92123	N/A	PC	Program/General Support	30,000
Women's Resource Center 1963 Apple Steet Oceanside, CA 92054	N/A	PC	Program/General Support	10,000
<b>Total . . . . . ▶ 3a</b>				779,000

**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)				
<b>a</b> <i>Paid during the year</i>				
A Bridge for Kids 4445 Eastgate Mall Ste 200 San Diego, CA 92121	N/A	PC	Program/General Support	5,000
California CASA Association PO Box 70675 Oakland, CA 94612	N/A	PC	Program/General Support	20,000
Kitchens for Good 404 Euclid Ave San Diego, CA 92114	N/A	PC	Program/General Support	10,000
<b>Total . . . . . ▶ 3a</b>				779,000

**Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a</b> <i>Paid during the year</i>				
San Diego Center for Children 3002 Armstrong Street San Diego, CA 92111	N/A	PC	Program/General Support	20,000
Ocean Discovery Institute 4255 Thorn Street San Diego, CA 92105	N/A	PC	Program/General Support	10,000
UC San Diego Foundation 9500 Gilman Drive La Jolla, CA 92093	N/A	PC	Preuss School Program	10,000
<b>Total . . . . .</b> ▶ <b>3a</b>				779,000

**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)				
<b>a</b> <i>Paid during the year</i>				
Classroom of the Future Foundation 6401 Linda Vista Road San Diego, CA 92111	N/A	PC	Equipment Grant	1,000
San Diego Children's Discovery Muse 320 North Broadway Escondido, CA 92025	N/A	PC	Program/General Support	10,000
Salk Institute 10010 N Torrey Pines Rd La Jolla, CA 92037	N/A	PC	Salk Cancer Center Program	50,000
<b>Total . . . . .</b>				<b>779,000</b>

▶ **3a**

**TY 2018 Investments Corporate Stock Schedule****Name:** Lily Lai Foundation**EIN:** 27-1159623**Software ID:** 18007218**Software Version:** 2018v3.1**Investments Corporation Stock Schedule**

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
WFA:ALIBABA (BABA)	164,484	164,484
WFA:ALPHABET (GOOG)	571,657	571,657
WFA:AMAZON (AMZN)	863,633	863,633
WFA:AMERICA MOVIL (AMX)	314,925	314,925
WFA:APACHE (APA)	36,750	36,750
WFA:APPLE (AAPL)	394,350	394,350
WFA:AT&T (T)	103,629	103,629
WFA:AUTONATION (AN)	53,550	53,550
WFA:BAIDU (BIDU)	222,040	222,040
WFA:BANK OF AMERICA (BAC)	125,664	125,664
WFA:BHP BILLITON (BHP)	86,922	86,922
WFA:BIOGEN (BIIB)	180,552	180,552
WFA:CBS (CBS)	30,604	30,604
WFA:CITIGROUP (C)	88,502	88,502
WFA:COCA-COLA (KO)	160,990	160,990
WFA:DICKS SPORTING GOODS (DKS)	168,480	168,480
WFA:EXPRESS SCRIPTS (ESRX)		
WFA:FACEBOOK (FB)	209,744	209,744
WFA:FORD MOTOR (F)	73,440	73,440
WFA:FOSSIL (FOSL)		
WFA:GENERAL ELECTRIC (GE)	7,570	7,570
WFA:GENERAL MOTORS (GM)	143,835	143,835
WFA:GOLDCORP (GG)	92,120	92,120
WFA:GOLDMAN SACHS (GS)	33,410	33,410
WFA:HEWLETT PACKARD ENTERPRISE (HPE)		
WFA:HONDA MOTOR (HMC)	84,640	84,640
WFA:HP (HPQ)	20,460	20,460
WFA:ILLUMINA (ILMN)		
WFA:INTEL (INTC)	427,063	427,063
WFA:INTERNATIONAL BUSINESS MACHINE (IBM)	284,175	284,175

## Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WFA:JPMORGAN CHASE (JPM)	1,015,248	1,015,248
WFA:METLIFE (MET)	45,166	45,166
WFA:MICHAEL KORS (KORS)	231,312	231,312
WFA:MONSANTO (MON)		
WFA:MORGAN STANLEY (MS)	19,825	19,825
WFA:NETAPP (NTAP)		
WFA:ORACLE (ORCL)	302,505	302,505
WFA:PENSKE AUTO GROUP (PAG)	104,832	104,832
WFA:PENTAIR (PNR)	30,224	30,224
WFA:PETROLEO BRASILEIRO (PBR/A)	253,821	253,821
WFA:POTASH OF SASKATCHEWAN (POT)		
WFA:QUALCOMM (QCOM)	261,786	261,786
WFA:SCHLUMBERGER (SLB)	18,040	18,040
WFA:SIEMENS (SIEGY)	28,040	28,040
WFA:TEVA PHARMACEUTICAL (TEVA)	209,712	209,712
WFA:TIME WARNER (TWX)		
WFA:TOYOTA MTR (TM)	11,608	11,608
WFA:TRANSOCEAN (RIG)	8,328	8,328
WFA:TWENTY-FIRST CENTY (FOXA)	38,496	38,496
WFA:URBAN OUTFITTERS (URBN)	33,200	33,200
WFA:VALE	768,463	768,463
WFA:VERIZON COMMUNICATIONS (VZ)	185,526	185,526
WFA:WAL-MART (WMT)	111,780	111,780
WFA:YELP	76,978	76,978
WFA:CHEVERON (CVX)	43,516	43,516
WFA:CHIPOTLE MEXICAN GRILL (CMG)		
WFA:JOHNSON CTRLS INTL (JCI)	34,661	34,661
WFA:SHIRE (SHPG)	10,268	10,268
WFA:ALEXION PHARMA (ALXN)	29,208	29,208
WFA:AMERISOURCEBERGEN (ABC)	22,320	22,320

## Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WFA:BRIGHTHOUSE FINL (BHF)	3,048	3,048
WFA:BRISTOL MYERS SQUIBB (BMY)	51,980	51,980
WFA:CELGENE CORP (CELG)	64,090	64,090
WFA:CHEESECAKE FACTORY (CAKE)	43,510	43,510
WFA:GILEAD SCIENCES (GILD)	25,020	25,020
WFA:KROGER COMPANY (KR)	66,000	66,000
WFA:MATTEL INC (MAT)	49,950	49,950
WFA:MICRO FOCUS INTL PLC (MFGP)	7,073	7,073
WFA:TJX COS INC (TJX)		
WFA:ALLERGAN (AGN)	66,830	66,830
WFA:CIGNA (CI)	106,165	106,165
WFA:DISNEY (DIS)	10,965	10,965
WFA:NUTRIEN (NTR)	315,652	315,652
WFA:REGENERON PHARMA (REGN)	74,700	74,700
WFA:VODAFONE GROUP (VOD)	134,960	134,960
WFA:WELLS FARGO (WFC)	64,512	64,512
ME:ALIBABA GROUP (BABA)	68,535	68,535
ME:ALLIANCE DATA SYS (ADS)	30,016	30,016
ME:ALPHABET (GOOGL)	208,992	208,992
ME:AMAZON (AMZN)	675,887	675,887
ME:AT&T (T)	262,568	262,568
ME:AUTONATION (AN)	24,990	24,990
ME:BAIDU (BIDU)	63,440	63,440
ME:BLACKROCK (BLK)	23,569	23,569
ME:COMCAST (CMDSA)	34,050	34,050
ME:CVS HEALTH (CVS)	26,208	26,208
ME:EBAY	112,280	112,280
ME:FACEBOOK (FB)	327,725	327,725
ME:GOLDMAN SACHS (GS)	16,705	16,705
ME:HOME DEPOT (HD)	17,182	17,182

**Investments Corporation Stock Schedule**

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
ME:INTEL (INTC)	159,562	159,562
ME:INTL BUSINESS MACHINE (IBM)	45,468	45,468
ME:MCKESSON (MCK)	353,504	353,504
ME:MORGAN STANLEY (MS)	19,825	19,825
ME:MYLAN (MYL)	21,920	21,920
ME:STATE STREET (STT)	18,921	18,921
ME:VODAFONE (VOD)	38,560	38,560
ME:WHIRLPOOL (WHR)	42,747	42,747

**TY 2018 Other Expenses Schedule****Name:** Lily Lai Foundation**EIN:** 27-1159623**Software ID:** 18007218**Software Version:** 2018v3.1**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADR Service Fee (Merrill)	6	6		
ADR Service Fee (Wells Fargo)	1,958	1,958		
Domain Name Registration Fee	13			
Postage	8			
State Filing Fee Form 199	10			
State Registration Fee Form RRF-1	150			
Tax Preparation Software	397			
Tax Preparation Software REP Fee	92			

**TY 2018 Other Income Schedule****Name:** Lily Lai Foundation**EIN:** 27-1159623**Software ID:** 18007218**Software Version:** 2018v3.1**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Brokerage Bonus (Merrill)	2,500	2,500	

**TY 2018 Taxes Schedule****Name:** Lily Lai Foundation**EIN:** 27-1159623**Software ID:** 18007218**Software Version:** 2018v3.1

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
Federal Tax Form 990-PF	14,407			
Foreign Tax on Dividends	7,863	7,863		