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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 for instructions and the latest information.

OMB No. 1545-0052

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning November 01 , 2018, and ending October 31 , 2019

Name of foundation	A Employer identification number
The Lester & Bernice Smith Foundation	91-1156087
Number and street (or P O box number if mail is not delivered to street address) / Room/suite	B Telephone number (see instructions)
P.O. Box 3010	425-455-0923
City or town, state or province, country, and ZIP or foreign postal code	C If exemption application is pending, check here ▶ ☐
Bellevue, WA 98009	

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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) ▶ $ 4,743,954

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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

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 ▶ ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	9,614	9,614		
	4 Dividends and interest from securities	103,674	103,674		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(16,693)			
	b Gross sales price for all assets on line 6a 136,919				
	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 Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	(6,485)	-0-		
	12 **Total.** Add lines 1 through 11	90,110	113,288		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) (STMT I)	350			350
	c Other professional fees (attach schedule) (STMT II)	11,096	11,096		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) (STMT III)	934	234		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) (STMT IV)	2,452			2,332
	24 **Total operating and administrative expenses.** Add lines 13 through 23	14,832	11,330		2,682
	25 Contributions, gifts, grants paid	287,734			287,734
	26 **Total expenses and disbursements.** Add lines 24 and 25	302,566	11,330		290,416
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	(212,456)			
	b **Net investment income** (if negative, enter -0-)		101,958		
	c **Adjusted net income** (if negative, enter -0-)				

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	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	End of year (c) Fair Market Value
Assets 1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	671,253	537,873	537,873
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)			
b	Investments—corporate stock (attach schedule) (STMT V)	2,898,578	2,819,579	3,563,965
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule) (STMT VI)	582,657	582,657	642,116
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)	4,152,488	3,940,109	4,743,954
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ 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	4,241,876	4,152,488	
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	(89,388)	(212,379)	
30	**Total net assets or fund balances** (see instructions)	4,152,488	3,940,109	
31	**Total liabilities and net assets/fund balances** (see instructions)	4,152,488	3,940,109	

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	4,152,488
2	Enter amount from Part I, line 27a	2	(212,456)
3	Other increases not included in line 2 (itemize) ▶ Book/*Tax timing difference $77	3	77
4	Add lines 1, 2, and 3	4	(3,940,109)
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	(3,940,109)

*Enterprise Prod Distribution

Per books	$4,450
Per K-1	4,373
Difference	$ 77

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a				
b	* PLEASE SEE ATTACHMENT FOR DETAILS *			
c				
d				
e				

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

	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b	* PLEASE SEE ATTACHMENT FOR DETAILS *			
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	(16,693)
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	-0-

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	301,369	4,767,542	6.3
2016	330,864	4,682,572	7.1
2015	267,562	4,439,032	6.0
2014	297,961	4,869,212	6.1
2013	321,477	5,186,544	6.2

2	**Total** of line 1, column (d)	2	31.7
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	6.3
4	Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	4,540,664
5	Multiply line 4 by line 3	5	286,062
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,020
7	Add lines 5 and 6	7	287,082
8	Enter qualifying distributions from Part XII, line 4	8	290,416

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.

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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	1,020 -
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	1,020 -
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	1,020 -
6	Credits/Payments: Payment $700 + C/O $443		
a	2018 estimated tax payments and 2017 overpayment credited to 2018 — 6a 1,143 -		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	1,143
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	-0-
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	-0-
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	123 -
11	Enter the amount of line 10 to be: **Credited to 2019 estimated tax** ▶ 123 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
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		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	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	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.*	5		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	
8a	Enter the states to which the foundation reports or with which it is registered. See instructions. ▶ WASHINGTON			
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	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?	13	X	

Website address ▶

14 The books are in care of ▶ Alexander M. Smith Telephone no. ▶ 425-455-0923
Located at ▶ 700 112th Avenue NE, #302, Bellevue, WA ZIP+4 ▶ 98004

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 N/A

			Yes	No
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
1a	During the year, did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
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	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	1c		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? ☐ Yes ☒ No			
	If "Yes," list the years ▶ 20___, 20___, 20___, 20___			
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	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. ▶ 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	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		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?	4b		X

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**	N/A	
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		X
	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?	**7b**	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
Alexander M. Smith POB 3010, Bellevue, WA 98009	Director (Part-time)	-0-	-0-	-0-
Kimberly Miller POB 3010, Bellevue, WA 98009	Director (Part-time)	-0-	-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 *(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 The only activity of the Foundation is to make charitable contributions to other qualifying exempt organizations	2,332
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 ** NONE**	
2	
All other program-related investments See instructions	
3 ** NONE **	
Total. Add lines 1 through 3 ▶	

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	4,053,851
b	Average of monthly cash balances	1b	555,960
c	Fair market value of all other assets (see instructions)	1c	-0-
d	**Total** (add lines 1a, b, and c)	1d	4,609,811
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	4,609,811
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	69,147
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,540,664
6	**Minimum investment return.** Enter 5% of line 5	6	227,033

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	227,033
2a	Tax on investment income for 2018 from Part VI, line 5 . . . 2a 1,020		
b	Income tax for 2018. (This does not include the tax from Part VI.) . . . 2b		
c	Add lines 2a and 2b	2c	1,020
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	226,013
4	Recoveries of amounts treated as qualifying distributions	4	-0-
5	Add lines 3 and 4	5	226,013
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	226,013

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	290,416
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	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-0-
b	Cash distribution test (attach the required schedule)	3b	-0-
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	290,416
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	1,020
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	289,396

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					226,013
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	28,399				
b	From 2014	62,478				
c	From 2015	50,486				
d	From 2016	102,897				
e	From 2017	67,304				
f	**Total** of lines 3a through e		311,564			
4	Qualifying distributions for 2018 from Part XII, line 4: ▶ $ 290,416					
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					226,013
e	Remaining amount distributed out of corpus		64,403			
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		375,967			
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)		28,399			
9	**Excess distributions carryover to 2019.** Subtract lines 7 and 8 from line 6a		347,568			
10	Analysis of line 9:					
a	Excess from 2014	62,478				
b	Excess from 2015	50,486				
c	Excess from 2016	102,897				
d	Excess from 2017	67,304				
e	Excess from 2018	64,403				

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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 foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed	N/A				
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).)

N/A

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

N/A

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

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

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information *(continued)*

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
a *Paid during the year*				
* PLEASE SEE ATTACHMENTFOR DETAILS *				
Total ▶ **3a**				287,734
b *Approved for future payment*				
* NONE*				
Total ▶ **3b**				-0-

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
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			14	9,614	
4 Dividends and interest from securities			14	103,674	
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	(16,693)	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a Enterprise Prod Ptnrs			14	(6,485)	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				90,110	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 90,110

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	** NONE **

Part XVII Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: Alexander Smith Date: 3/6/20 Title: Foundation Manager

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no.

THE LESTER AND BERNICE SMITH FOUNDATION
ID 91-1156087

Statements attached to and made part of Form 990PF 2018 (Return of Private Foundation)

Statement I:	Part 1, Line 16b	Accounting fees		
	- Accounting Tax Service			***$350***
Statement II:	Part 1, Line 16c	Other professional fees		
	- Stifel, Nicolaus & Co -	Management fee		***11,096***
Statement III:	Part 1, Line 18	Taxes		
	- 2018 Estimated tax payment		$700	
	- Foreign Tax payment		234	***934***
Statement IV:	Part 1, Line 23	Other Expenses		
	- Washington Federal - bank fees		$60	
	- State Treasurer Annual Report		35	
	- State Secretary registration renewal		25	
	- Charities events - expenses		2,332	***2,452***

Statement V: Part II, Line 10b — Investments - Corporate Stock

	End of year Value	
	Book	***FMV***
- Alphabet Inc	$61,721	$109,516
- Amtrust Fin Svcs	85,023	61,670
- Antero Resources	170,096	19,750
- Bank America Corp	74,865	135,243
- BHP Billiton Ltd	17,963	17,803
- Capital One Finl Corp	50,002	50,189
- CenturyLink	109,136	79,258
- Chevron Texaco	63,566	145,175
- Cisco Systems Inc	87,064	151,794
- Costco Wholesale	28,031	222,833
- CRH Medical Corp	297,103	192,616
- Customers Bancorp	50,645	49,502
- Diana Shipping	153,109	107,788

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(Cont) Statement V: Part II, Line 10b Investments - Corporate Stock

	End of year Value	
	Book	***FMV***
- Enterprise Product	$55,696	$66,377
- Facebook	75,051	178,235
- Gilead Sciences Inc.	76,220	72,629
- Halliburton Company	51,754	24,294
- Hancock Holding	50,850	53,198
- HCP Inc Com	49,501	47,627
- Huntington Bancshare	50,405	50,323
- Intel Corp	101,313	181,744
- JP Morgan & Chase	128,805	219,437
- Legg Mason Global	50,314	52,493
- Microsoft	42,947	253,048
- Northern Tr Corp	50,398	49,257
- Omeros Corp	187,520	175,349
- Qualcomm Inc	69,034	103,365
- Sanofi	22,958	20,874
- Seaspan Corp	40,000	40,960
- Starbuck Corp	109,744	173,348
- Walt Disney	176,882	214,368
- Wells Fargo	181,863	243,902
	$2,819,579	***$3,563,965***

Statement VI: Part II, Line 13 Investments - Other -

	End of year Value	
	Book	***FMV***
- Ishares Russell 1000	$150,951	$163,888
- S&P 500 ETF	104,415	151,665
- S&P Oil & Gas Equip & Svc Trust	22,855	5,481
- S&P Oil & Gas Expl & Prod Trust	50,869	20,698
- Vanguard FTSE Emerging Market	90,439	104,625
- Vanguard/ Wellesley Income Fund	163,128	195,759
	$582,657	***$642,116***

THE LESTER AND BERNICE SMITH FOUNDATION (EIN # 91-1156087)

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

(ATTACHMENT TO FORM **990-PF 2018 / PART IV 1**)

	PROPERTY	P / D	DATE ACQRD	DATE SOLD	GROSS SALES PRICE	COST OF SALE	GAIN OR LOSS	SHORT-TERM CAP GAIN/LOSS
SOLD:								
	General Electric 5080 sh	P	08/31/2017	02/13/2019	51,917	124,963	(73,046)	
	Microsoft Corp 235 sh	P	06/18/2009	05/09/2019	29,325	5,592	23,733	
	Alphabet Inc 43 sh	P	02/05/2006	10/28/2019	55,677	30,506	25,171	
Capital Gain Distributions:								
	Vanguard Wellesley	N/A	N/A	N/A	N/A	N/A	7,449	
					$136,919		($16,693)	$0

THE LESTER AND BERNICE SMITH FOUNDATION (EIN # 91-1156087)
CONTRIBUTIONS PAID DURING THE FISCAL YEAR **11/01/18 - 10/31/19**
(ATTACHMENT TO FORM 990-PF **2018** / PART XV 3a)

RECIPIENTS' NAME & ADDRESS	RELATIONS	STATUS	PURPOSE	AMOUNT
A Contemporary Theatre Foundation 700 Union Street, Seattle, WA 98101	n/a	501 C 3	General Operation	$2,500
ACU Foundation PO Box 5060, Dupont, WA 98327	n/a	501 C 3	General Operation	2,000
America's Charities 14150 NewBrook Dr, Ste 110, Chantilly, VA 20151	n/a	501 C 3	General Operation	5,000
BECU Foundation PO Box 68666, Tukwila, WA 98168	n/a	501 C 3	General Operation	7,500
Bellevue Arts Museum 510 Bellevue Way NE, Bellevue, WA 98004	n/a	501 C 3	General Operation	5,000
Bellevue Rotary Foundation PO Box 523, Bellevue, WA 98009	n/a	501 C 3	General Operation	11,000
Center for Children & Youth Justice 615 2nd Avenue, #275, Seattle, WA 98104	n/a	501 C 3	General Operation	10,000
Chambers Primary PTA 9101 56th Street west, University Place, WA 98467	n/a	501 C 3	General Operation	1,000
Children's Miracle Network Hospitals 205 West 700 South, Salt Lake City, UT 84101	n/a	501 C 3	General Operation	5,000
Communities in Schools of Renton 1055 S. Grady Way, Renton, Wa98057	n/a	501 C 3	General Operation	1,100
Congregations for the Homeless 515 116th Ave NE, Ste 150, Bellevue, WA 98004	n/a	501 C 3	General Operation	11,000
Credit Union for Kids 18000 International Blvd, #350, Seatac, WA 98188	n/a	501 C 3	General Operation	1,000
CU4Kids/ Spokane Chapter 18000 International Blvd, #350, Seatac, WA 98188	n/a	501 C 3	General Operation	1,000
Cuyamungue Institute 20-A Feather Catcher Rd, Santa Fe, NM 87506	n/a	501 C 3	General Operation	25,000
Dauntlez 18316 8th Ave SE, Bothell, WA 98012	n/a	501 C 3	General Operation	500
Doernbecher Children's Hospital Foundation 1121 SW Salmon St, Ste 100, Portland, OR 97205	n/a	501 C 3	General Operation	4,840
Hawaii State Junior Golf Association 4330 Kukui Grove St, Lihue, HI 96766	n/a	501 C 3	General Operation	10,966
Hillel At the UW 4745 17th Ave NE, Seattle, WA 98105	n/a	501 C 3	General Operation	1,000
Ho'Ola Na Pua PO Box 22551, Honolulu, HI 96823	n/a	501 C 3	General Operation	1,500
Hong Kong Assoc of Washington Foundation PO Box 3188, Redmond, WA 98073	n/a	501 C 3	General Operation	7,800
HopeLink 10675 Willows Road NE, #275, Redmond, WA 98052	n/a	501 C 3	General Operation	1,000
Irvington Elementary PTA 1320 NE Brazee St, Portland, OR 97212	n/a	501 C 3	General Operation	5,000
Island Hospital Foundation 1211 24th Street, Anacortes, WA 98221	n/a	501 C 3	General Operation	528
Jewish Federation of Greater Seattle	n/a	501 C 3	General Operation	1,000

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THE LESTER AND BERNICE SMITH FOUNDATION (EIN # 91-1156087)
(CONT) CONTRIBUTIONS PAID DURING THE FISCAL YEAR **11/01/18 - 10/31/19**
(CONTINUED: ATTACHMENT TO FORM 990-PF 2018 / PART XV 3a)

RECIPIENTS' NAME & ADDRESS	***RELATIONS***	***STATUS***	***PURPOSE***	***AMOUNT***
King County Sexual Assault Resource Center PO Box 300, Renton, WA 98057	n/a	501 C 3	General Operation	5,000
Overlake Medical Center Foundation 1035 116th Avenue NE, Bellevue, WA 98004	n/a	501 C 3	General Operation	10,000
Performing Art Center Eastside (PACE) 855 106th Avenue NE, # 150, Bellevue, WA 98004	n/a	501 C 3	General Operation	500
Providence Children's Health Foundation 1201 NE Lloyd Blvd, Ste 500, Portland, OR 97232	n/a	501 C 3	General Operation	3,380
Renton Community Foundation PO Box 820, Renton, WA 98057	n/a	501 C 3	General Operation	10,000
Renton Schoold Foundation PO Box 820, Renton, WA 98057	n/a	501 C 3	General Operation	10,000
Rivkin Center for Ovarian Cancer 801 Broadway, #701, Seattle, WA 98122	n/a	501 C 3	Medical Research	25,000
Seattle Children's Hospital Foundation M/S S-200, PO Box 5371, Seattle, WA 98145-5005	n/a	501 C 3	General Operation	2,000
Skagit River Days PO Box 1011, Mt. Vernon, WA 98273	n/a	501 C 3	General Operation	500
Sundance Circle Hippotherapy Foundation 983 Kelly Rd. Bellingham, WA98226	n/a	501 C 3	General Operation	500
The American Heart Association 710 2nd Avenue, Ste 900, Seattle, WA 98104	n/a	501 C 3	General Operation	7,500
The Dazzler Dance Team Booster Club 10612 SE 240th St, Ste 6241, Kent, WA 98031	n/a	501 C 3	General Operation	500
The Overlake School 20301 NE 108th Street, Redmond, WA 98053	n/a	501 C 3	General Operation	15,000
The Rose International Fund for Children PMB 421/14150 NE 20th St, F1, Bellevue, WA 98007	n/a	501 C 3	General Operation	5,000
The Sophia Way 11061 NE 2nd Street, #223, Bellevue, WA 98004	n/a	501 C 3	General Operation	3,000
Tukwila Children's Foundation 5730 S. Pamela Dr, Tukwila, WA 98178	n/a	501 C 3	General Operation	50,000
University of Washington Foundation 407 Gerberding Hall, Seattle, WA 98195	n/a	501 C 3	General Operation	5,000
Vanessa Behan Crisis Nursery 2004 E. 8th Avenue, Spokane, WA 99202	n/a	501 C 3	General Operation	2,000
Village Theatre 303 Front Street N., Issaquah, WA 98027	n/a	501 C 3	General Operation	2,500
Washington Policy Center 3404 4th Ave S, Seattle, WA 98134-1905	n/a	501 C 3	General Operation	4,620
Wa State Chinese Cancer Network Association PO Box 14606, Seattle, WA 98114-0606	n/a	501 C 3	General Operation	1,000
Water 1st International 1904 3rd Ave, Ste 1012, Seattle, WA 98101	n/a	501 C 3	General Operation	1,000
Women Helping Women Fund 1325 West 1st Ave, #318, Spokane, WA 99201	n/a	501 C 3	General Operation	1,500
	TOTAL		**3a**	**$287,734**