

Department of the Treasury
Internal Revenue Service

Note: You may be able to use a copy of this return to satisfy State reporting requirements.

For the calendar year 1985, or tax year beginning JULY 1ST, 1985, and ending JUNE 30, 1986.

Please type, print, or attach label. See Specific Instructions.

Name of organization
UB 47-6032365 990PF 06 3 04 03
BUFFETT FOUNDATION
1440 KIEWIT PLAZA
OMAHA NE 68131

Employer identification number
47-6032365
State registration number (see instructions)
Fair market value of assets at end of year
\$7,330,643.05

If application pending, check here Foreign organizations, check here Please attach check or money order here.

Check type of organization
 Exempt private foundation 4947(a)(1) trust Other taxable private foundation
Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here and see General Instructions. If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

The books are in care of WARREN E. BUFFETT
Located at SAME AS ABOVE Telephone no. 402-346-1400
Check this box if your private foundation status terminated under section 507(b)(1)(A)

Part I Analysis of Support, Revenue, and Expenses
(See Instructions for Part I)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purpose
1 Contributions, gifts, grants, etc. received (attach schedule)	319,870.00			
2 Contributions from split-interest trusts				
3 Interest on savings and temporary cash investments	47,195.11	47,195.11	47,195.11	
4 Dividends and interest from securities	91,632.64	91,632.64	91,632.64	
5 a Gross rents				
b (Net rental income (loss))				
6 Net gain or (loss) from sale of assets not on line 10	6,152,746.31	6,152,746.31		
7 Capital gain net income			437.06	
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales minus returns and allowances				
b Minus: Cost of goods sold (attach schedule)				
c Gross profit (loss)				
11 Other income (attach schedule)				
12 Total (add lines 1 through 11)	6,641,294.06	6,321,574.06	139,264.81	
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages	4796.00			4796.00
15 Pension plans, employee benefits (See Sec.)	392.30			392.30
16 a Legal fees				
b Accounting fees				
c Other professional fees				
17 Interest				
18 Taxes (attach schedule)	4100.26			
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) <u>TELEPHONE R. = 50 P.P.L.I.E.S</u>	871.32			871.32
24 Total operating and administrative expenses (add lines 13 through 23)	10,150.82			6059.62
25 Contributions, gifts, grants paid	1,048,919.89			1,048,919.89
26 Total expenses and disbursements (add lines 24 and 25)	1,059,079.77			1,054,979.51
27 a Excess of revenue over expenses and disbursements (line 12 minus line 26)	5,582,314.29			
b Net investment income (if negative enter -0-)		6,321,574.06		
c Adjusted net income (if negative enter -0-)			139,264.81	

PR 10-22-86
Operating and Administrative Expenses

Part II Balance Sheets		Attached schedules should be for end of year amounts only. (See instructions for col. (c).)	Beginning of year		End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest bearing	7165.27	884.18	884.18	
	2	Savings and temporary cash investments	630,998.80	544,303.37	544,303.37	
	3	Accounts receivable ▶ minus allowance for doubtful accounts ▶	—	—	—	
	4	Pledges receivable ▶ minus allowance for doubtful accounts ▶	—	—	—	
	5	Grants receivable	—	—	—	
	6	Receivables due from officers, directors, trustees, and other disqualified persons (see instructions)	—	—	—	
	7	Other notes and loans receivable ▶ minus allowance for doubtful accounts ▶	—	—	—	
	8	Inventories for sale or use	—	—	—	
	9	Prepaid expenses and deferred charges	—	—	—	
	10	Investments—securities (attach schedule)	985,169.42	6,649,797.87	6,785,455.50	
	11	Investments—land, buildings, and equipment: basis ▶ minus accumulated depreciation (attach schedule) ▶	—	—	—	
	12	Investments—mortgage loans	—	—	—	
	13	Investments—other (attach schedule)	—	—	—	
	14	Land, buildings, and equipment: basis ▶ minus accumulated depreciation (attach schedule) ▶	—	—	—	
	15	Other assets (Describe ▶ <u>TRUCKER RECEIVABLE</u>)	—	5179.32	5179.32	
	16	Total assets (see instructions)	1,623,333.49	7,200,159.74	7,335,841.37	
Liabilities	17	Accounts payable and accrued expenses (See Sec. PAYABLE)	105.72	257.68	—	
	18	Grants payable	—	—	—	
	19	Support and revenue designated for future periods (attach schedule)	—	—	—	
	20	Loans from officers, directors, trustees, and other disqualified persons	—	—	—	
	21	Mortgages and other notes payable (attach schedule)	—	—	—	
	22	Other liabilities (Describe ▶ <u>TRUCKER PAYABLE</u>)	5640.00	—	—	
23	Total liabilities (add lines 17 through 22)	5,745.72	257.68	—		
Fund Balances or Net Worth	Organizations that use fund accounting, check here ▶ <input type="checkbox"/> and complete lines 24 through 27 and lines 31 and 32.					
	24a	Current unrestricted fund	—	—	—	
	b	Current restricted fund	—	—	—	
	25	Land, buildings, and equipment fund	—	—	—	
	26	Endowment fund	—	—	—	
	27	Other funds (Describe ▶)	—	—	—	
	Organizations not using fund accounting, check here ▶ <input type="checkbox"/> and complete lines 28-32.					
	28	Capital stock or trust principal	—	—	—	
	29	Paid-in or capital surplus	—	—	—	
	30	Retained earnings or accumulated income	—	—	—	
31	Total fund balances or net worth (see instructions)	1,617,587.77	7,199,902.06	—		
32	Total liabilities and fund balances/net worth (see instructions)	1,623,333.49	7,200,159.74	—		

Part III Analysis of Changes in Net Worth or Fund Balances		
1	Total net worth or fund balances at beginning of year—Part II, column (a), line 31	1,617,587.77
2	Enter amount from Part I, line 27a	5,527,314.29
3	Other increases not included in line 2 (itemize) ▶	—
4	Add lines 1, 2, and 3	7,199,902.06
5	Decreases not included in line 2 (itemize) ▶	—
6	Total net worth or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 31	7,199,902.06

Part IV Capital Gains and Losses for Tax on Investment Income

(a) Kind of property. Indicate security, real estate, or other (specify)	(b) Description (examples: 100 sh. of "Z" Co., 2 story brick, etc.)	(c) How acquired P—Purchase D—Donation	(d) Date acquired (mo., day, yr.)	(e) Date sold (mo., day, yr.)
1 SCHEDULE ATTACHED				
(f) Gross sales price minus expense of sale	(g) Depreciation allowed (or allowable)	(h) Cost or other basis	(i) Gain or (loss) (f) plus (g) minus (h)	
Complete only for assets showing gain in column (i) and owned by the foundation on 12/31/69				
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any	(m) Losses (from col. (i)) Gains (excess of col. (i) gain over col. (l), but not less than zero)	
2 Capital gain net income or (net capital loss)			6,182,746.31	
3 Net short-term capital gain (loss) as defined in section 1222(5) and (6)			437.06	

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

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

If section 4940(d)(2) applies, leave Part V blank.

Were you liable for section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," you do 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 fiscal year beginning in)	(b) Qualifying distributions	(c) Net value of noncharitable-use assets	(d) Payout ratio (column (b) divided by column (c))
7-1-1984	932300.00	4450758.53	21%
7-1-1983	697047.47	255837.31	25%
7-1-1982	870313.13	1793790.34	49%
7-1-1981	111068.60	1300937.77	8%
7-1-1980	56780.85	876434.73	6%
2 Total of line 1, col. (d)			89%
3 Average payout ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			17.8%
4 Enter the net value of noncharitable-use assets for 1985 from line 5, Part IX			777600.07
5 Multiply line 4 by line 3			1,764,538.83
6 Enter 1% of line 27b, Part I			63,715.74
7 Add lines 5 and 6			1,828,254.57
8 Enter the amount from line 6, Part XIII			1,054,970.51

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 on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1	a Exempt operating foundations described in section 4940(d)(2) check here <input type="checkbox"/> (attach copy of ruling letter), and enter "N/A".	
	b Domestic organizations meeting the requirements of section 4940(e) check here <input type="checkbox"/> (complete Part V), and enter 1% of line 27b, Part I.	
	c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 27b	176,431.48
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	
3	Add lines 1 and 2	176,431.48
4	Tax under subtitle A (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	
5	Tax on investment income (line 3 minus line 4 (but not less than -0-))	176,431.48
6	Credits: a Exempt foreign organizations—tax withheld at source	
	b Tax paid with application for extension of time to file (Form 2758)	
7	Tax due (line 5 minus line 6)	
8	Overpayment (line 6 minus line 5)	
		176,431.48

Part VII Statements Regarding Activities

File Form 4720 if you answer "No" to question 10b, 11b, or 14b or "Yes" to question 10c, 12b, 13a, or 13b unless an exception applies.

	Yes	No
1 a During the tax year, did you attempt to influence any national, State, or local legislation or did you participate or intervene in any political campaign?		X
b Did you spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If you answered "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.		X
c Did you file Form 1120-POL?		N/A
2 Have you engaged in any activities that have not previously been reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
3 Have you made any changes, not previously reported to the IRS, in your governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes.		X
4 a Did you have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," have you filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the schedule required by General Instruction I.		X
6 Are the section 508(e) requirements satisfied either: • by language written into 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?		N/A
7 Did you have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, column (c) and Part XVI.	X	
8 a Enter States to which the foundation reports or with which it is registered (see instructions) ▶ NEBRASKA		
b If you answered 7 "Yes," have you furnished a copy of Form 990-PF to the Attorney General (or his or her designate) of each State as required by General Instruction K.1? If "No," attach explanation.	X	
9 Are you claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1985 or fiscal year beginning in 1985 (see instructions for Part XV)? If "Yes," complete Part XV.		X
10 Self-dealing (section 4941):		
a During the year did you (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?		X
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		X
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		X
(4) Pay compensation to or pay or reimburse the expenses of a disqualified person?		X
(5) Transfer any of your income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?		X
(6) Agree to pay money or property to a government official? (Exception: check "No" if you agreed to make a grant to or to employ the official for a period after he or she terminates government service if he or she is terminating within 90 days.)		X

Part VII Statements Regarding Activities (continued)

	Yes	No
b If you answered "Yes" to any of the questions 10a(1) through (6), were the acts you engaged in excepted acts as described in regulations section 53.4941(d)-3 and 4? <i>N/A</i>		
c Did you engage in a prior year in any of the acts described in 10a, other than excepted acts, that were acts of self-dealing that were not corrected by the first day of your tax year beginning in 1985?		X
11 Taxes on failure to distribute income (section 4942) (does not apply for years you were a private operating foundation as defined in section 4942(j)(3) or 4942(j)(5)):		
a Did you at the end of tax year 1985 have any undistributed income (lines 6d and e, Part XIV) for tax year(s) beginning before 1985?		X
If "Yes," list the year: ▶		
b If "Yes" to 11a, are you applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the undistributed income for ALL such years? <i>N/A</i>		
c If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 11a, list the years here and see the instructions ▶		
12 Taxes on excess business holdings (section 4943):		
a Did you hold more than 2% direct or indirect interest in any business enterprise at any time during the year?		X
b If "Yes," did you have excess business holdings in 1985 as a result of any purchase by you or disqualified persons after May 26, 1969; after 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; after the lapse of the 10-year first phase holding period; or after the 15-year first phase holding period? <i>N/A</i>		
<i>Note: You may use Schedule C, Form 4720, to determine if you had excess business holdings in 1985.</i>		
13 Taxes on investments that jeopardize charitable purposes (section 4944):		
a Did you invest during the year any amount in a manner that would jeopardize the carrying out of your charitable purposes?		X
b Did you make any investment in a prior year (but after December 31, 1969) that could jeopardize your charitable purpose that you had not removed from jeopardy on the first day of your tax year beginning in 1985?		X
14 Taxes on taxable expenditures (section 4945):		
a During the year did you pay or incur any amount to:		
(1) Carry on propaganda, or otherwise attempt to influence legislation by attempting to affect the opinion of the general public or any segment thereof, or by communicating with any member or employee of a legislative body, or by communicating with any other government official or employee who may participate in the formulation of legislation?		X
(2) Influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive?		X
(3) Provide a grant to an individual for travel, study, or other similar purposes?		X
(4) Provide a grant to an organization, other than a charitable, etc., organization described in section 509(a) (1), (2), or (3), or after December 31, 1984, section 4940 (d)(2)?		X
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?		X
b If you answered "Yes" to any of questions 14a(1) through 14a(5), were all such transactions excepted transactions as described in regulations section 53.4945?		<i>N/A</i>
c If you answered "Yes" to question 14a(4), do you claim exemption from the tax because you maintained expenditure responsibility for the grant? <i>N/A</i>		
If "Yes," attach the statement required.		
15 Did any persons become substantial contributors during the tax year? <i>319,820</i>		X
If "Yes," attach a schedule listing their names and addresses.		
16 During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X

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

1 List all officers, directors, trustees, foundation managers and, if paid, their compensation for 1985 (see instructions):

Name and address	Title, and average hours per week devoted to position	Contributions to employee benefit plans	Expense account, other allowances	Compensation
SUSAN T. BUFFETT OMAHA, NE OR	PRESIDENT	-	-	-
WARREN E. BUFFETT OMAHA, NE OR	V.P. & TREAS.	-	-	-
GLADYS KAISER BLAIR NE OR	SECRETARY	-	-	-
SUSAN GOLDBERG WASHINGTON DC	DIRECTOR	-	-	-
CAROL LORMIS LARCHMONT, N.Y.	DIRECTOR	-	-	-
THOMAS S. MURPHY NEW YORK N.Y.	DIRECTOR	-	-	-
Total				

Part VIII Information About Officers, Directors, Trustees, etc. (continued)

2 Compensation of five highest paid employees for 1985 (other than included in line 1—see instructions):

Name and address of employees paid more than \$30,000	Title and time devoted to position	Contributions to employee benefit plans	Expense account, other allowances	Compensation
FANNIE GOODWIN 4820 SPRAGUE OMAHA, NE 68104	TYPIST & CLERK	-	-	4796.00

Total number of other employees paid over \$30,000 ▶

3 Five highest paid persons for professional services for 1985 (see instructions):

Name and address of persons paid more than \$30,000	Type of service	Compensation
NONE		

Total number of others receiving over \$30,000 for professional services ▶

Part IX Minimum Investment Return

3621 MAC - IN - BENT FUND

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	7,329,758.87
b Average of monthly cash balances	53,687.83
c Fair market value of all other assets (see instructions)	-
d Total (add lines a, b, and c)	7,383,446.70
2 Acquisition indebtedness applicable to line 1 assets	-
3 Line 1d minus line 2	7,383,446.70
4 Cash deemed held for charitable activities—enter 1½% of line 3 (for greater amount, see instructions)	110,751.63
5 Line 3 minus line 4	7,272,695.07
6 Enter 5% of line 5	363,634.50

Part X Computation of Distributable Amount (see instructions)

1 Minimum investment return from Part IX, line 6		363,634.50
2 Total of:		
a Tax on investment income for 1985 from Part VI, line 5	176,431.48	
b Income tax under subtitle A, for 1985	-	176,431.48
3 Distributable amount before adjustments (line 1 minus line 2)		737,703.02
4 Additions to distributable amount:		
a Recoveries of amounts treated as qualifying distributions	-	
b Income distributions from section 4947(a)(2) trusts	-	
5 Line 3 plus line 4		737,703.02
6 Deduction from distributable amount (see instructions)		-
7 Distributable amount as adjusted (line 5 minus line 6) (Also enter in Part XIV, line 1)		737,703.02

Part XI Limitation on Grant Administrative Expenses

Calendar year (or fiscal year) beginning in:	(a) 1985	(b) 1984	(c) 1983	(d) Total
1 Net value of noncharitable-use assets (see instructions)	777,600.07	445,075.53	278,637.31	14,507,085.91
2 Multiply line 1 by .0065	47,774.47	28,979.93	18,093.64	94,296.06
3 Grant administrative expenses treated as qualifying distributions in the two preceding years		19,789.58	56,345.17	
4 Enter the smaller of line 2 or line 3 in columns (b) and (c). In column (d) enter the total of columns (b) and (c)		19,789.58	18,093.64	37,883.22
5 Grant administrative expenses for 1985 (from Part XII, line 13)	6059.62			
6 Maximum amount of 1985 grant administrative expenses that may be treated as qualifying distributions (line 2, column (d) minus line 4, column (d))	56,412.84			
7 Excess grant administrative expenses for 1985 (line 5 minus line 6; if negative, enter -0-; enter result on line 5, Part XIII)	-			
8 Grant administrative expenses treated as qualifying distributions in 1985 (line 5 minus line 7)	6059.62			

Note: The amount on line 8 will be used in completing the schedule for 1986 and 1987.

Part XII Schedule of Grant Administrative Expenses (see instructions before making any entries)

1 Compensation of officers, directors, trustees, etc	-
2 Other employee salaries and wages	4798.00
3 Pension plans, employee benefits Soc. Sec.	392.30
4 Legal fees	-
5 Accounting fees	-
6 Other professional fees	-
7 Interest	-
8 Taxes	-
9 Occupancy	-
10 Travel, conferences, and meetings	-
11 Printing and publications	-
12 Other expenses TELE, POSTAGE & SUPPLIES	871.32
13 Total	6059.62

Part XIII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1,054,979.51
b Program-related investments	-
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	-
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	-
b Cash distribution test (attach the required schedule)	-
4 Total (add 1, 2, and 3)	1,054,979.51
5 Enter excess grant administrative expenses from line 7, Part XI	-
6 Total qualifying distributions (line 4 minus line 5). Enter this amount on line 4, Part XIV.	1,054,979.51
7 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income—enter 1% of line 27b, Part I (see instructions)	-
8 Qualifying distributions (line 6 minus line 7)	1,054,979.51

Note: The amount on line 8 will be used in Part V, column (b) when calculating the section 4940(e) reduction of tax in subsequent years.

Part XIV Computation of Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 1984	(c) 1984	(d) 1985
1 Distributable amount for 1985 from Part X				737,703.07
2 Undistributed income, if any, as of the end of 1984:				
a Enter amount for 1984			NONE	
b Total for prior years: — — —		NONE		
3 Excess distributions carryover, if any, to 1985:				
a From 1980				
b From 1981				
c From 1982				
d From 1983				
e From 1984				
f Total of 3a through e	NONE			
4 Qualifying distributions for 1985: 1,054,979.51				
a Applied to 1984, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required)		NONE		
c Treated as distributions out of corpus (Election required)	NONE			
d Applied to 1985 distributable amount				737,703.07
e Remaining amount distributed out of corpus	817,776.49			
5 Excess distributions carryover applied to 1985 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	817,776.49			
b Prior years' undistributed income. Line 2b minus line 4b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount—see instructions		NONE		
e Undistributed income for 1984. Line 2a minus line 4a. Taxable amount—see instructions			NONE	
f Undistributed income for 1985. Line 1 minus lines 4d and 5. This amount must be distributed in 1986				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(D) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 1980 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 1986. (Line 6a minus lines 7 and 8)	NONE			
10 Analysis of line 9:				
a Excess from 1981				
b Excess from 1982				
c Excess from 1983				
d Excess from 1984				
e Excess from 1985				

Allidavits of this Publication have been filed in the office of:

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County Court

Clerk of Dist. Court

County Clerk

Sec. State

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NOTICE

1440 Kiewit Plaza
Omaha, Neb. 68131

The annual report of The Buffett Foundation for the fiscal year ended June 30, 1986 is available at its principal office located at 1440 Kiewit Plaza, Omaha, Nebraska 68131, for inspection during regular business hours by any citizen who requests it within 180 days hereof. The principal manager of The Foundation is Susan T. Buffett.

Published in the Post-Gazette, Tuesday, September 16, 1986

STATE OF NEBRASKA
COUNTY OF DOUGLAS ss.

Virginia Rhoades, being duly sworn, deposes and says that he is publisher of THE DOUGLAS COUNTY POST GAZETTE, a legal weekly newspaper published in the city of Elkhorn, Douglas County, Nebraska, printed in the English language, having a bona fide circulation in Douglas County in excess of 300 copies for more than 52 weeks last past; that the printed notice attached hereto was published in said DOUGLAS COUNTY POST GAZETTE for one week, on Sept. 16, 1986, and said newspaper was during that time and has since been in general circulation in said County and State, and that said newspaper was printed in whole, or in part, in the office maintained at place of publication.

Virginia Rhoades

Subscribed in my presence, and sworn to before me

16th day of September, 19 86

GENERAL NOTARY State of Nebraska
PAMELA KARLS
My Comm. Exp. Feb. 15, 1987

Pamela Karls
Notary Public.

N/A

Part XV Private Operating Foundations (See instructions and Part VII, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1985, enter the date of the ruling ▶

b Check box to indicate whether you are a private operating foundation described in section 4942(j)(3) or 4942(j)(5).

	Tax year		Prior 3 Years		(e) Total
	(a) 1985	(b) 1984	(c) 1983	(d) 1982	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part IX for 1985 (Part VIII for prior years).					
b 85% of line 2a					
c Qualifying distributions from Part XIII, line 6, for 1985 (Part X, line 4, for prior years)					
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 purposes (line 2c minus line 2d)					
3 Complete the alternative test in 3a, b, or c on which you rely:					
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 IX, line 6, for 1985 (enter 2/3 of comparable amount (Part VIII, line 6) for prior years)					
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 XVI Supplementary Information (see instructions)

1 Information Regarding Foundation Managers

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

NONE

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

NONE

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

If you make gifts, grants, awards (see instructions), etc., to individuals or organizations, check here and complete these items:

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

THE BUFFETT FOUNDATION ACCEPTS NO

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

UNSOLICITED PROPOSALS

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 XVII Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during year			EDUCATIONAL	96,760.89
			CHARITABLE	957,159.00
Total				1,045,919.89
b Approved for future payment				
None				
Total				

Part XVII-A Summary of Grant Programs and Other Activities		(a) Grants and program related investments	(b) Administrative expenses	(c) Total
1	Gifts, contributions, scholarships and other grants	1,045,919.89	6,059.67	1,051,979.56
2	Direct charitable activities (describe each):			
a	N/A			
b				
c	Direct technical and other assistance to grantees (see instructions)			
d	All other (attach schedule)			
e	Total—add a through d			
3	Program-related investments (describe each type)			
a				
b	N/A			
c				
d	All other (attach schedule)			
e	Total—see instructions			
4	Other qualifying distributions			
5	Other expenses not included in lines 1-4			

Part XVII-B Supporting Data

1 Describe on an attached schedule the bases (for example, time spent, salary expenses incurred, space utilized, etc.) used to allocate administrative expenses to the activities described in Part XVII-A. TRAVEL SALARY, Soc. Sec. Exp., TELE. POSTAGE & Misc.

2 For the foundation's principal direct charitable activities and program-related investments provide a schedule of relevant statistical information, such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

3 Attach a schedule for Part XVII-A, lines 2 and 3, setting forth for each activity or investment area the amount of any income produced by it. N/A

Part XVIII Public Inspection

1 Enter the date the notice of availability of the annual return appeared in a newspaper SEPT. 16, 1986

2 Enter the name of the newspaper THE DOUGLAS COUNTY POST-GAZETTE

3 Check here if you have attached a copy of the newspaper notice as required by the instructions. (If the notice is not attached, the return will be considered incomplete.)

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 or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: [Signature] Date: OCT. 13 1986 Title: VICE-PRESIDENT & TREASURER

Please Sign Here

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed: Preparer's social security no.: _____

Firm's name (or yours, if self-employed) and address: _____ E.I. No.: _____ ZIP code: _____

KANSAS CITY



SERVICE CENTER

Share Investment Journal
Year ended June 30, 1958

47-6032365

Date	Prepared By	Work Paper No.
	Reviewed By	

Investment		No. of Shares	Cost	Market Value 6-30-58
1	Applicable Publications, Inc.	100	4658.50	5725.00
2	Atlantic Freight Co. Inc.	100	1758.50	1950.00
3	Allegheny Corporation	100	6275.50	10257.00
4	Am. Sav. & Loan Assn.	100	925.00	1000.00
5	American Branch Ins.	100	4846.00	9475.00
6	American Dredging Co.	100	2635.00	2700.00
7	American Express Co.	100	2987.83	12375.00
8	American Financial Corp.	100	806.25	800.00
9	American Trust Service Co.	100	565.28	777.50
10	Amecco Corp.	100	350.00	620.00
11	Anderson Clayton Co.	100	2733.00	5537.50
12	Anderson Dutch Inc.	200	5940.78	16725.00
13	Amecco Ins.	10	185.00	95.00
14	Arland Oil Ins.	100	2770.50	5400.00
15	Atlantic Richfield Co.	100	5123.00	5300.00
16	Audiotape Corporation	100	1475.00	1968.75
17	Autor Holdings	100	979.50	2450.00
18	Aveco Corp.	100	2105.60	2400.00
19	Bellini United Corp.	10	29.50	17.50
20	Bill Holdings & Co. Inc.	40	600.00	600.00
21	H. H. W. Corp.	100	5240.00	5762.50
22	W. R. Buckley Corp.	15	132.00	122.00
23	Branniff, Inc.	100	625.50	487.50
24	Brown Forman Distillers	100	3511.30	3800.00
25	Campbell Soup Co.	200	5335.50	12575.00
26	Capital Cities/ABC, Inc. Ut.	10	240.00	590.00
27	Capital Cities/ABC, Comm. Inc.	10	2222.01	2585.00
28	Castle & Cooke Comm. Inc.	200	1499.66	3635.25
29	Castle & Cooke Cr. Fd.	111	839.84	1900.00
30	CBS Inc.	75	7067.00	10875.00
31	Ch. Sec. 10 1/8% in Notes	#2700	2700.00	2619.00
32	CEL Communications	100	630.50	812.50
33	Centel	100	2759.00	5987.50
34	Chescon	100	3664.00	3897.50
35	Chromalloy Corp.	100	1125.50	2450.00
36	Chubb Corp. Inc.	155	3894.42	10331.50
37	Chancellor Liff. Iron Co.	100	1062.50	1425.00
38	Coca Cola Company	300	5161.50	36515.00
39	Cons. Capital Realty, Inc.	100	1127.00	1475.00
40	Cons. Capital Special Invest.	100	1511.50	1475.00
41	Cosco, Inc. - Union	100	693.00	1175.00
42	Adolph Coors Co. - Colo. B.	100	1658.55	3125.00
43	Continental Mach. Corp. Fd.	5	786.13	800.00
44	CRF - International	100	3563.00	7175.00
45	Capital Branch Ins.	70	304.17	450.00
46	Cypress Minerals	10	116.00	225.00
47	Delta Commercial Co.	100	700.00	700.00
48	Distribution Corp.	100	7919.4	12250.00
49	Dunlop & Co. Mill Mfg. Co.	50	5000.00	5000.00
50	Dynal Corp.	100	3265.01	4100.00
			12,711,567	23,114,900

The Buffett Foundation
 Year Ended June 30, 1986

Date	Prepared By	Work Paper No.
	Reviewed By	✓

Investments		No. of Shares	Cost	Market Value 6-30-86
1	Ed. Inc. (Art. de Nouveau) & Co.	100	4725.24	8300.00
2	Beecham Corp.	100	4764.00	4750.00
3	Brown Corp.	100	1157.97	6117.50
4	Jackey, Rose & Co. Industrial Corp.	24	387.00	4100.00
5	Global Express Corp.	100	6477.50	5550.00
6	Guaranty Fund Corp.	100	2747.50	3575.00
7	Guaranty Trust & Sav. Co.	100	2739.50	2562.50
8	First Midwest National Bk.	100	1675.00	1700.00
9	ITC Corporation	100	3035.00	5300.00
10	General Cinema Corp.	100	2685.00	5625.00
11	General Mills Inc.	100	4165.35	8075.00
12	General Public Utilities Corp.	100	868.08	2087.50
13	General Tel. & Elec. Co.	100	917.00	2675.00
14	Grayhound Corp.	100	238.00	3517.50
15	Graphic Arts Inc.	100	571.20	1062.50
16	Guaranty National Corp.	10	57.50	77.50
17	East & Western Industries	100	3770.19	7912.50
18	Halliburton Co.	100	2491.50	2212.50
19	Healy & Harrison	100	1648.00	1800.00
20	Hertz - Hanks, Inc. Del. Del.	1M	1866.2	200.00
21	Helmreich & Payne	100	2422.96	1975.00
22	Hershey Foods Inc.	200	5535.50	16050.00
23	Hess, Hines & Sutherland Co.	100	131.75	175.00
24	Home Group Inc.	100	1750.00	2625.00
25	Houston Oil Royalty Trust	100	1295.36	687.50
26	International Harvester Co.	100	907.50	861.50
27	Intercontinental Holding Co.	100	1625.72	1700.00
28	ITC Corporation	100	4125.77	5375.00
29	Kellogg Company	100	2695.50	5700.00
30	Kimberly-Clark Corp.	30	4024.8	678.75
31	Kingsway Consolidated Ind. Co.	10	74.52	100.00
32	Midmark Land Co.	100	2101.00	2215.00
33	LTC Corporation	115	76.23	460.00
34	Louisiana National	150	1622.38	3862.50
35	Louisiana National Corp.	100	4259.47	5150.00
36	Louisiana National Corp.	750	8635.50	56437.50
37	L & F Royalty Trust	5	18.75	40.00
38	Louisiana Steel Co.	100	898.50	3087.50
39	Louisiana Steel & Exp. Co.	110	302.00	2675.00
40	LTV Corp. Common	115	1776.12	6037.50
41	LTV Corp. Series D Pfd.	5	41.25	250.00
42	P.H. Macy & Co.	100	6427.50	6787.50
43	Magna Power Co.	100	1536.50	1862.50
44	Mapco Inc.	100	2392.95	4625.00
45	Marsh McLean Co.	200	4277.16	11600.00
46	MCA Inc.	150	3504.47	7537.50
47	McDonald's Corp.	215	6540.75	23765.00
48	MEI Financial Corp.	100	1774.00	917.50
49	Meritor Financial Group	100	866.00	1125.00
50	Mesa Tel. Partnerships	100	1287.50	1525.00
			118045.19	134474.5

The Buffett Foundation
 Year Ended June 30, 1986.

Date	Prepared By	Work Paper No.
	Reviewed By	3

Investments		No. of Shares	Cost	Market Value 6-30-86
1	Mesa Offshore Trust	100	750.50	1750.00
2	Mesa Petroleum Co.	100	650.00	337.50
3	Mesa Royalty Trust	100	2115.38	3750.00
4	Mesa Trust	21400	27699.86	45000.00
5	MGM/UA Entertainment Co.	100	1499.01	1700.00
6	Minstrel, Inc.	100	2353.00	3525.00
7	Mission Insurance Group	100	1941.40	1850.00
8	Mobil Corp.	100	2959.00	2137.50
9	News Corp. Old ADR	100	1233.50	1500.00
10	Occidental Petroleum Group	10	2237.5	2717.5
11	Old Republic Int'l. Corp.	6	445.00	480.00
12	Old Republic Int'l. Commerce	125	2962.89	4531.00
13	Paramount Corp.	100	2607.00	5787.50
14	Phillips 66	300	2400.50	10175.00
15	Phillips 66 Royalty Trust	100	977.97	625.00
16	Phillips 66, Inc.	200	4783.50	14950.00
17	Phillips Petroleum Co. Commerce	135	1810.67	1333.00
18	Phillips Petroleum Co. Spl. Sec. A	7	161.00	151.00
19	Phillips 66	200	6136.50	16050.00
20	Plumtree Bancorp.	100	2975.47	6175.00
21	Progressive Corp.	49	402.50	427.50
22	Public Service of Indiana	100	837.50	1700.00
23	Production Services Corp.	100	1988.50	1862.50
24	Quaker Oats Company	200	4495.00	15700.00
25	Raychem Services Co.	100	2205.00	727.50
26	REA Corp.	100	1648.60	8500.00
27	Reichelderfer Center Properties	100	1935.50	1952.50
28	Rockwell International (Canada) Inc.	100	528.50	500.00
29	Royal Dutch Petroleum Co.	100	5773.00	8007.50
30	Sabine Corp.	100	1737.25	1500.00
31	Sabine Royalty Trust	100	1737.25	1262.50
32	St. Paul Corp. Inc.	200	5011.35	9700.00
33	Stamps, Inc.	100	2244.46	4825.00
34	Stamps, Inc. Royalty Trust	100	979.51	1112.50
35	Stamps, Inc. Royalty Trust	100	3315.50	5245.00
36	Stamps, Inc. Royalty Trust	200	4168.00	14725.00
37	SOI Holdings, Warrington	100	261.50	260.00
38	Seibels Bancorp. Group	100	1674.00	1875.00
39	Southern Inc.	100	1037.00	1100.00
40	Southern Mineral Corp.	100	603.25	625.00
41	Standard Oil of Ohio	100	4771.00	4527.50
42	Standard Iron Works Co. Inc.	100	2400.62	3000.00
43	Sun Company, Inc.	100	4474.35	4812.50
44	Teladyn, Inc.	10	2021.28	3365.00
45	TEL Offshore Trust	100	1145.00	1300.00
46	Thomson Newspapers Ltd.	100	1257.00	2750.00
47	Tide Water Inc.	100	937.50	675.00
48	Tine, Inc.	10	292.67	872.50
49	Toronto Sun Publishing Co.	100	1708.00	2000.00
50	Torstar Corp. Class B	200	2078.00	2500.00
			4421375.19	224256.25

The Buffett Foundation

Year Ended June 30, 1986.

Date	Prepared By	Work Paper No.
	Reviewed By	4-

Investments	No. of Shares	Cost	Market Value 6-30-86
1 Trans World Airlines Oil Pullers	10	211.00	225.00
2 Traveler Co. sp.	100	235.00	176.50
3 Tillingham Construction	100	2433.87	761.25
4 Union Pump Bld	32	300.79	350.00
5 Union Woodworking Co.	100	2635.60	2462.50
6 Universal Ac. tier. Ind.	40	377.50	80.00
7 United States Fidelity & Guar.	166	3563.19	6723.00
8 U.S. Air Group	100	2547.50	3150.00
9 U.S. Treas. Bills due 7-24-85	5450M	5,370,843.29	5450000.00
10 U.S. Treas. Bills due 7-31-86	590M	581,654.25	590000.00
11 U.S. Trust	100	3050.00	6600.00
12 Vacuum Fuel	Var	2715.00	6700.00
13 Warner Communications	100	2594.50	5612.50
14 Westinghouse Electric	100	3445.50	5350.00
15 Xerox Corporation	100	3814.90	5500.00
16			
17 Totals 6/30/86		6,649,797.87	6,785,455.50
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PART VII - LINE 15

47-6037365

The Buffett Foundation
 Year ended June 30, 1986.

Date	Prepared By	Work Paper No.
	Reviewed By	

Part I, Line 1 - and Part VII, line 15

Contributions Received During the Year

Berkshire Hathaway Inc.
 1440 Kierulff Plaza
 Omaha, Nebraska 68131

31,826.00

Joseph J. Rosenfield
 Des Moines, Iowa

2000.00

Total

31,986.00

PART IV - LINES 2 & 3

The Buffett Foundation
Year ended June 30, 1986.

47,603,236.5

Capital Gains (Losses)

Work Paper No.	Accountant Reviewed By	Date

No. of Shs.	Description	How Acquired	Date Acquired	Date Sold	Sale Price	Cost	Gain (Loss)
Long-term:							
2	100 MGM/UA Home Entertainment	Publ.	7-12-83	7-2-85	278595	261016	17579
3	100 Nabisco Brands	✓	1-11-83	7-4-85	853361	355650	497711
4	14 American Ecology Corp.	✓	7-31-84	7-2-85	37975	34188	3787
5	100 Amoskeag Corp.	✓	11-30-84	7-2-85	371500	323600	47900
6	100 Central & Southwest Corp.	✓	7-30-84	7-2-85	258241	186564	71577
7	700 Church's Fried Chicken	✓	10-7-83	7-2-85	363637	256293	107344
8	150 Collins Foods Intl	✓	10-7-83	7-2-85	367786	184249	183537
9	100 Colonial Penn Stamp	✓	1-13-84	7-2-85	268240	164800	103440
10	150 Dean Foods Co.	✓	8-30-83	7-2-85	572005	376950	195055
11	150 H. J. Heinz Co.	✓	8-24-83	7-2-85	812371	444500	367871
12	100 Harco Ind. Products	✓	7-30-84	7-2-85	283240	196666	86574
13	3 Temple Island Co.	✓	7-30-84	7-2-85	9118	7858	1260
14	100 Texas Utilities Co.	✓	7-30-84	7-2-85	303139	233286	69853
15	100 USP Real Estate Inv. Trust	✓	6-9-83	7-2-85	107900	92500	15400
16	55418 Interpublic Grp. of Companies	45,880 Publ. & 9840 Private	8-15-83	8-15-86	277793423	21322943	273470480
17	Mesabi Trust Dist.	Publ.	1979 & prior	8-23-85	406889	79297	327592
18	100 Multimedix Inc.	✓	11-24-84	8-27-85	584063	348800	235263
19	Mesabi Trust Dist.	✓	1979 & prior	11-22-85	460173	91807	368366
20	100 Virginia International	✓	7-2-84	11-7-85	700000	368910	331090
21	100 American Broadcasting Co.	✓	11-26-84	11-27-86	1215080	618550	596530
22	100 New America Fund	✓	1-7-85	1-1-84	516001	320000	196001
23	Mesabi Trust Dist.	✓	1979 & prior	2-24-86	285149	55432	229717
24	333 Chris Craft Industries	✓	1-13-82	4-24-86	2198625	339950	1858675
25	100 Boatmen Foods	✓	8-22-83	4-30-86	460000	273400	186600
26	3 Walldis Trade	✓	1-7-85	6-26-86	8400	6122	2278
27	100 John Bleis & Co.	✓	5-9-84	6-23-86	289470	318948	(29478)
28	100 MEI Corporation	✓	11-2-84	6-26-86	399400	351300	48100
29	10,222 Cgilvy Stamp	5340 Publ. & 46815 Private	1973	4-15 & 21-86	377588050	39344500	3,38243550
30	Mesabi Trust Dist.	Publ.	1979 & prior	5-24-86	186818	36479	150339
31	84 Lee Enterprises	✓	1-10-85	8-5-85	348714	346500	2214
32	100 Storax Communications	✓	4-10-85	1-13-86	936250	744100	192150
33					Total Long-term Gain		618230925
34							
35							
Short-term:							
38	100 Unocal	Publ.	4-10-85	8-15-85	458505	480050	(21545)
39	100 Conwood Corp.	✓	7-5-85	10-11-85	360000	355541	4459
40	100 Pioneer Corp. of Texas	✓	2-3-86	5-29-86	228442	208850	19592
41	100 Scott & Fetzer Co.	✓	8-27-85	1-27-86	607700	566500	41200
42					Total Short-term Gain		43706
43							
44					Total Long-term & Short-term Gain		618274631
45							
46							
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49							
50							

47-6037365

Work Paper No. 1	Accountant Reviewed By	Date
		6-30-86

The Suptel Foundation
July 1, 1985 to June 30, 1986.

Charitable Contributions

Peace Learning Society	500.00
National Lesbian Rights League	1,100.00
Center for Disease Information	25,000.00
Christian Education Union Services	10,000.00
Gay Lib	1,000.00
United Church of Christ	70,000.00
Harvard University	50,000.00
International Projects Assistance Service	50,000.00
KSII	2,000.00
Meals on Wheels (San Francisco)	7,000.00
National Gay Liberation Front	10,000.00
San Francisco Gay Community Center	3,000.00
Gay Child Foundation	5,000.00
Harvard University of Divinity	10,000.00
Harvard University of Divinity	100,000.00
Harvard University of Divinity	75,109.00
The Population Institute	15,000.00
United Baptist Church	3,000.00
Sex Information & Education Council	15,000.00
Kindred Mission	5,000.00
U.S. (Dr. John Williams)	97,500.00
United Church of Christ Medical Center	100,000.00
West Coast Library Foundation	17,700.00
The Woodrow Foundation	1,600.00
Total Charitable Contributions	954,159.00

Charitable
& Educational
Total

954,159.00
961,700.89
1,048,919.89

47-6032365

Work Paper No.	Accountant	Date
	Reviewed By	

The Support Foundation
July 1, 1965 to June 30, 1966.

Educational Contributions:

Baylor College	600.00
Central High School of Omaha	1,000.00
Clark College	800.00
Clarkson School of Nursing	1,300.00
College of St. Mary	1,400.00
Craigston University	8,300.00
Gamma College	500.00
Gallaudet College	5,700.00
Grinnell College	800.00
Historic International Theology Center	300.00
Iowa State University	300.00
Kansas State University	600.00
Marquette University	500.00
National Technical Institute for the Deaf	1,600.00
Nebraska Wesleyan University	1,300.00
North Central Missouri State College	800.00
Oakwood College	1,900.00
Orion State College	300.00
St. Louis Public Schools (Required)	(503.12)
Stetson College	300.00
Southeast Community College	300.00
Tabor College	800.00
University of Arizona	800.00
University of Kansas	1,000.00
University of Mississippi	500.00
University of Nebraska / Lincoln	31,318.81
University of Nebraska Medical Center	4,704.50
University of Nebraska Omaha	15,716.50
University of Nebraska Omaha Foundation	5,000.00
University of Nebraska School of Nursing	500.00
University of Oklahoma	800.00
University of Tennessee	800.00
Victory Valley College (Required)	(75.00)
Washington University	800.00
Waynes State College	1,400.00
<u>Total Educational Contributions:</u>	<u>96,760.89</u>

KANSAS CITY



SERVICE CENTER