

990-PF

Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

OMB No. 1545-0047

1996

Department of the Treasury Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

MAY 30 97 FILMED

For calendar year: 1996, or tax year beginning 1996, and ending 19

Name of organization: **FAIRBANKS FOUNDATION, INC.**
 A Employer identification number: **31-1189885**
 Room/suite: **304**
 B State registration number (see instruction F): **736290-00**
 Number and street (or P.O. box number if mail is not delivered to street address): **S. 92 N. MERIDIAN ST.**
 City or town, state, and ZIP code: **INDIANAPOLIS, IN 46260**

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation
 I Fair market value of assets at end of year (from Part II, col. (c), line 16): **13,678,587**
 J Accounting method: Cash Accrual Other (specify) _____
 (Part I column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 8 of the instructions).)</i>					
1 Contributions, gifts, grants, etc., received (attach schedule)		12,500,000	STMT 1		
2 Contributions from split-interest trusts					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		172,780	172,780		
5a Gross rents					
5b Net rental income or (loss)					
6 Net gain or (loss) from sale of assets not on line 10		251,911			
7 Capital gain net income (from Part IV, line 2)			251,911		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
10b Less: Cost of goods sold					
10c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total (lines 1 through 11)		12,924,691	424,691		
13 Compensation of officers, directors, trustees, etc.			NONE		
14 Other employment - salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
16b Accounting fees (attach schedule)					
16c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see page 11 of the instructions)		STMT 2	254		
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)		15,677	15,625		52
24 Total operating and administrative expenses (add lines 13 through 23)		15,931	15,625		52
25 Contributions, gifts, grants paid		55,000			55,000
26 Total expenses and disbursements (add lines 24 and 25)		70,931	15,625		55,052
27a Excess of revenue over expenses and disbursements (line 12 minus line 26)		12,853,760			
27b Net investment income (if reported, enter -0-)			409,066		
27c Adjusted net income (add line 27a to line 27b)					

RECEIVED
MAY 15 1997
ODDEN U

Part II: Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	13,845	13,539	13,559	
	2 Savings and temporary cash investments				
	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 page 12 of the 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				
	10 a Investments - U.S. and state government obligations (attach schedule)				
	b Investments - corporate stock (attach schedule)				
	c Investments - corporate bonds (attach schedule)				
	11 Investments - land, buildings, and equipment b. ▶				
Less: accumulated depreciation ▶ (attach schedule)					
12 Investments - mortgage loans					
13 Investments - other (attach schedule) STMT. 4	1,062,804	13,916,870	13,665,078		
14 Land, buildings, and equipment b. ▶					
Less: accumulated depreciation ▶ (attach schedule)					
15 Other assets (describe ▶)					
16 Total assets (to be completed by all filers - see page 13 of the instructions)	1,076,649	13,930,409	13,678,587		
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	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/>				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Organizations that do not follow SFAS 117, check here ▶ and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or other funds	1,005,000	13,505,000		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds	71,649	42,409		
	30 Total net assets or fund balances (see page 14 of the instructions)	1,076,649	13,930,409		
31 Total liabilities and net assets, fund balances (see page 14 of the instructions)	1,076,649	13,930,409			

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	1,076,649
2 Enter amount from: Part I, line 27a	2	12,853,760
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	13,930,409
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	13,930,409

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.)

1a SEE PART IV SECTION 1

	(a)	(b) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Date acquired (mo., day, yr.)	(i) Date sold (mo., day, yr.)	(j) Gain or (loss) plus (f) minus (g)
a							
b							
c							
d							

Complete only for assets showing gain in column (b) and owned by the foundation on 12/31/89

	(k) F.M.V. as of 12/31/89	(l) Adjusted basis as of 12/31/89	(m) Excess of col. (l) over col. (k), if any	(n) Gain/(Col. (b) gain minus col. (l), but not less than -) or Losses (from col. (b))
a				
b				
c				
d				

2 Capital gain net income or (net capital loss) **251,911.**

3 Net short-term capital gain or (loss) as defined in sections 1222(f) and (g):

If gain, also enter in Part I, line 8, column (c) (see pages 10 and 14 of the instructions):

If (loss), enter -0- in Part I, line 8

Part V Qualification Under Section 4940(c) 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 organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 49-0(e). Do not complete this part.

1	Enter the appropriate amount in each column for each year; see page 15 of the instructions before making any entries.	(a) Base period year (calendar year for tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net amount of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
		1995	51,941.	1,126,182.	0.04612131964
		1994	51,968.	1,058,777.	0.04908304582
		1993	4,039.	1,049,313.	0.00384918513
		1992	377.	80,844.	0.00466330216
		1991	252.	5,260.	0.04790874525

- 2 Total of line 1, column (d) **0.15162559800**
- 3 Average distribution 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 **0.03032511960**
- 4 Enter the net value of noncharitable-use assets for 1996 from Part X, line 5 **2,212,627.**
- 5 Multiply line 4 by line 3 **67,398.**
- 6 Enter 1% of net investment income (1% of Part I, line 27) **4,091.**
- 7 Add lines 5 and 6 **71,189.**
- 8 Enter qualifying distributions from Part XII, line 4 **55,052.**

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 on page 15.

Part VI Excess Tax on Investment Income (Section 4940(a), 4940(b), 4940(c), or 4948 - see page 15 of the instructions)

14 Example: speaking foundation described in section 4940(d)(2), check here and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary - see instructions)

a	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and "N/A" if Part I, line 27b	8.181	1	
b	All other domestic organizations; enter 2% of line 27a. Exempt foreign organizations enter 4% of line 27b		2	
c	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only; Others enter -0-)	8.181	1	
d	Add lines 1 and 2	NONE	4	
e	Subtract (a) (income) tax. Domestic section 4947(a)(1) trusts and taxable foundations only; Others enter -0-	8.181	5	
f	Tax on investment income (line 3 minus line 4 (but not less than -0-))			
g	Credits/Payments:			
1	1998 estimated tax payments and 1998 overpayment credited to 1998	640.		
2	Exempt foreign organizations tax withheld at source	NCNE		
3	Tax paid with application for extension of time to file (Form 2758)	NONE		
4	Backup withholding erroneously withheld			
5	Total credits and payments (add lines 6a through 4)	640.	7	
6	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
7	TAX DUE. If line 7 is more than line 8, enter AMOUNT OWED.	7,541.	9	
8	OVERPAYMENT. If line 7 is more than the total of lines 5 and 1, enter the AMOUNT OVERPAID		10	
9	11. Enter the amount of line 10 to be credited to 1997 estimated tax		11	

Part VII-A Statements Regarding Activities

1	During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	Yes	No
2	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 16 of the instructions for definition)?	1b		X
3	If "Yes," attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.	1c		X
4	Did the organization file Form 1120-POL for this year?	1d		X
5	Enter the amount (if any) of taxes or political expenditures (section 4955) paid by the organization during the 1998 tax year. (See instructions.)			NONE
6	Has the organization engaged in any activities that have not previously been reported to the IRS?	2		X
7	If "Yes," attach a detailed description of the activities.			
8	Has the organization 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
9	Did the organization have unrelated business gross income of \$1,000 or more during the year?	4a		X
10	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		N/A
11	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
12	If "Yes," attach the statement required by General Instruction J.			
13	Are there non-exercisers of section 501(c)(3) (relating to sections 4941 through 4945) satisfied either:			
14	• By language in the governing instrument; or	6		X
15	• 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?	7		X
16	Did the organization have at least \$5,000 in assets at any time during the year?	8		X
17	If "Yes," complete Part B, column (c) and Part XV.			
18	Enter the states to which the foundation reports or with which it is registered (see page 16 of the instructions) INDIANA	9a		X
19	If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designee) of each state as required by General Instruction G? If "No," attach explanation of the organization's failure to do so.	9b		X
20	Is the organization claiming status as a private operating foundation within the meaning of section 4942(d)(3) or 4942(d)(5) for calendar year 1998 or the taxable year beginning in 1998 (see instructions for Part XIV on page 22)? If "Yes," complete Part XIV.	9		X
21	Did any persons become substantial contributors during the tax year?	10		X
22	If "Yes," attach a schedule listing their names and addresses.			
23	Did anyone request to see either the organization's annual return or its exemption application (or both)?	11a		X
24	If "Yes," did the organization comply pursuant to the instructions? (See General Instruction G.)	11b		N/A
25	The books are in care of LEONARD J BETLEY			
26	Located at 9292 N. MERIDIAN, #304, INDIANAPOLIS, IN Zip code 46260			
27	Section 4947(d)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041. Check here <input type="checkbox"/>			
28	and enter the amount of tax-exempt interest reported or accrued during the year.			

File Form 4720 if any item is checked in the "Yes" column unless an exception applies.

	Yes	No
1 Self-dealing (section 4941)		
a During the year did the organization (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(5) did ANY of the acts fall to qualify under the exceptions described in Reg. 1.170(e)-3 or in a current Notice regarding disaster assistance (see page 17 of the instructions)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
c If the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2		
a Did the organization engage in a current Notice regarding disaster assistance (see page 17 of the instructions)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Did the organization 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 1997?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
c Were a private operating foundation defined in section 4942(b)(3) or 4942(b)(5) was a private operating foundation defined in section 4942(b)(3) or 4942(b)(5) At the end of the tax year 1996, and the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1997?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
d If "Yes," list the years: 19 _____ 19 _____ 19 _____		
e Are there any years listed in 2a for which the organization 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 page 17 of the instructions.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
f If the producers of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here: 19 _____ 19 _____ 19 _____		
3 Taxes on excess business holdings (section 4943)		
a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 1996 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1996 (2) the expiration of the 5-year period (or longer period approved by the Commission 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 organization had excess business holdings in 1996.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4 Taxes on investments that jeopardize charitable purposes (section 4944)		
a Did the organization invest during 1996 any amount in the manner that would jeopardize its charitable purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
5 Taxes on taxable expenditures (section 1949) and political expenditures (section 4950)		
a During the year did the organization pay or incur any amount to:		
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(a))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Influence the outcome of any specific public election (see section 4953) or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 5a(1)-(5), did ANY of the exceptions that qualify under the exceptions described in Regulations section 53.4945 or in a current Notice regarding disaster assistance (see page 17 of the instructions)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

7. Do attach the statements required by Regulations section 53.4945-5(d)

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 17 of the 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
R. M. FAIRBANKS KEY LARGO, FL 32037	DIR/PRES AS REQ	NONE	NONE	NONE
VIRGINIA B FAIRBANKS KEY LARGO, FL 32037	DIR/V-PRES AS REQ	NONE	NONE	NONE
LEONARD J BETLEY INDPLS, IN 46260	DIR/SECY AS REQ	NONE	NONE	NONE

2 Compensation of five highest paid employees (other than those included on line 1 - see page 17 of the 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
NOT APPLICABLE				

Total number of other employees paid over \$50,000 ▶ NONE

3 Five highest paid independent contractors for professional services - (see page 18 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NOT APPLICABLE		

Total number of others receiving over \$50,000 for professional services ▶ NONE

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, centers, or convened, research papers produced, etc.	Expenses
1 NOT APPLICABLE	
2	
3	
4	

Part IX-B Summary of Program Related Investments (see page 18 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 NOT APPLICABLE	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 18 of the 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	2,233,087.
b Average of monthly cash balances	1b	13,235.
c Fair market value of all other assets (see page 19 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	2,246,322.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) ▶	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Line 1d minus line 2	3	2,246,322.
4 Cash deemed held for charitable activities - Enter 1 1/2% of line 3 (for greater amount, see page 20 of the instructions)	4	33,695.
5 Net value of noncharitable-use assets - Line 3 minus line 4 (Enter in Part V, line 4.)	5	2,212,627.
6 Minimum investment return (Enter 5% of line 5)	6	110,631.

Part XI Distributable Amount (see page 20 of the 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	110,631.
2a Tax on investment income for 1996 from Part VI, line 5	2a	8,181.
b Income tax for 1996 (This does not include the tax from Part VI.)	2b	
c Line 2a plus line 2b	2c	8,181.
3 Distributable amount before adjustments (line 1 minus line 2c)	3	102,450.
4a Recoveries of amounts treated as qualifying distributions	4a	NONE
b Income distributions from section 4947(a)(2) trusts	4b	
c Line 4a plus line 4b	4c	NONE
5 Line 3 plus line 4c	5	102,450.
6 Deduction from distributable amount (see page 20 of the instructions)	6	NONE
7 Distributable amount as adjusted (line 5 minus line 6) (Also enter in Part XIII, line 1.)	7	102,450.

Part XII Qualifying Distributions (see page 20 of the 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	55,052.
b Program-related investments - total of lines 1-3 of Part IX-B	1b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
4 Qualifying distributions (add lines 1a through 3b) (Enter in Part V, line 8 and Part XIII, line 4.)	4	55,052.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income - enter 1% of Part I, line 27b (see page 21 of the instructions)	5	
6 Adjusted qualifying distributions (line 4 minus line 5)	6	55,052.

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 page 21 of the instructions)

	(a) Corpus	(b) Years prior to 1995	(c) 1995	(d) 1996
1 Distributable amount for 1996 from Part XI, line 7				102,450
2 Undistributed income, if any, as of the end of 1995:				
a Enter amount for 1995 only			53,893	
b Total for prior years		NONE		
3 Excess distributions carryover, if any, to 1996:				
a From 1991	NONE			
b From 1992	NONE			
c From 1993	NONE			
d From 1994	NONE			
e From 1995	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 1996 from Part XII, line 4: <u>55,052</u>				
a Applied to 1995, but not more than line 2a			53,893	
b Applied to undistributed income of prior years		NONE		
c (Election required - see page 21 of the instructions) Treated as distributions out of corpus (Election required - see page 22 of the instructions)	NONE			
e Applied to 1996 distributable amount				1,159
Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 1996 (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	NONE			
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 1942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b. Taxable amount - see page 21 of the instructions		NONE		
e Undistributed income for 1995 (line 2c minus line 4a). Taxable amount - see page 21 of the instructions				
f Undistributed income for 1996 (line 1 minus lines 4d and 5). This amount must be distributed in 1997				101,291
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 21 of the instructions)	NONE			
8 Excess distributions carryover from 1991 not applied on line 5 or line 7 (see page 22 of the instructions)	NONE			
9 Excess distributions carryover to 1997 (line 6a minus lines 7 and 8)	NONE			
10 Analysis of line 9:				
a Excess from 1992	NONE			
b Excess from 1993	NONE			
c Excess from 1994	NONE			
d Excess from 1995	NONE			
e Excess from 1996	NONE			

Part XIV Private Operating Foundations (see page 22 of the instructions and Part VII-A, question 9)

NOT APPLICABLE

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 1996, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(b)(3) or 4942(b)(5)

	Tax year		Prior 3 years		(c) Total
	(a) 1996	(b) 1995	(a) 1994	(b) 1993	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part II for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities (line 2c minus line 2d)					
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(b)(3)(B)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part II, 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 1256(b)(1)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(b)(3)(B)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 22 of the instructions.)

1 Information Regarding Foundation Managers:

- 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 907(d)(2).)

RICHARD M. FAIRBANKS

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

NONE

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

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 22 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, and c.

- a The name, address, and telephone number of the person to whom applications should be addressed:
- b The form in which applications should be submitted and information and materials they should include:
- c Any submission deadlines:
- d Any restrictions or limitations on awards, such as by geographical area, 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)				
<p>a Paid during the year</p> <p>SEE STATEMENT 5</p>				
<p>Total</p>			▶ 3a	55,000.
<p>b Approved for future payment</p>				
<p>Total</p>			▶ 3b	

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

1 Did the organization directly or indirectly engage in any of the following with any other organization, described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
a Transfers from the reporting organization to a noncharitable exempt organization of:
(1) Cash
(2) Other assets
b Other Transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities or equipment
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, or other assets, or paid employees
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 organization...

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

b If "Yes," complete the following schedule. Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Part XVIII Public Inspection

1 Enter the date the notice of availability of the annual return appeared in a newspaper: MAY 6, 1997
2 Enter the name of the newspaper: THE INDIANAPOLIS STAR
3 Check here [X] to indicate that you have attached a copy of the newspaper notice required by the instructions on page 24

(If the notice is not attached, the return will be considered incomplete.) Under penalties of perjury, I declare that I have examined the 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.

Please Sign Here: Signature of officer or trustee: Leonard J. Bathy, Date: May 13, 1997, Title: Treasurer. Preparer's signature: Stephen C. Bartle CPA, Date: 4-29-97, Check if self-employed: [], Preparer's social security no: [redacted]. Firm's name (or yours if self-employed): GEO. S. OLIVE & CO. LLC, 201 N. ILLINOIS ST. INDIANAPOLIS, IN. EIN: 35-0560190, ZIP code: 46204.

PUBLISHER'S AFFIDAVIT

State of Indiana | SS:
MARION County

Personally appeared before me, a notary public in and for said county and state, the

undersigned ANNETTE PIERSON who, being duly sworn, says
that 5 he is CLERK of the

INDIANAPOLIS NEWSPAPERS, INC.
DAILY STAR

a _____ new paper of general circulation printed and published
in the English language in the city _____ town _____ of _____ INDIANAPOLIS

in state and county aforesaid, and that the printed matter attached hereto is a true copy, which
was duly published in said paper for 1 time _____ the dates of publication being as follows:

MAY 06, 1997

Annette Pierson

Subscribed and sworn to before me this 7TH day of MAY 19 97

Barbara L. Rutherford
Notary Public

My commission expires BARBARA L. RUTHERFORD
NOTARY PUBLIC STATE OF INDIANA
MARION COUNTY
MY COMMISSION EXP. JULY 28, 1997

Public Notice
The annual report of the
Richard M. Fairbanks Founda-
tion, Inc. is available at the
address noted below for in-
spection during normal busi-
ness hours, by any person who
so requests within 90 days of
the expiration of this notice of
availability.
Richard M. Fairbanks
Foundation, Inc. 2992 N. Me-
ridian Street, Suite 200, In-
dianapolis, Indiana 46202
The principal office is at
Leopard J. Baker, telephone
(317) 846-7111.
(3-94)

Poor Quality
Copy



Department of the Treasury
Internal Revenue Service
Document 7213 (1-88)

Cat No. 844568

FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/available	Cost or other basis	FMV as of 12/31/80	Adj. basis as of 12/31/88	Excess of FMV over adj. basis	Gain or (loss)	
		VBIF				VAR	12/12/96
55,000.		55,164.				-164.	
		CAPITAL GAIN DISTRIBUTIONS				VAR	VAR
252,075						252,075.	
TOTAL GAIN(LOSS)						251,911.	