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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation STEPHENS FAMILY FOUNDATION		A Employer identification number 20-2784814
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (940) 723-2166
	City or town, state, and ZIP code WICHITA FALLS, TX 76307		C If exemption application is pending, check here ☐
			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) \$ 1,135,113. (Part I, column (d) must be on cash basis.)		J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		4,640.	4,640.		STATEMENT 1
4 Dividends and interest from securities		8,531.	8,531.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<17,739.>			
b Gross sales price for all assets on line 6a 374,837.					
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)					
11 Other income		65,025.	65,025.		STATEMENT 3
12 Total. Add lines 1 through 11		60,457.	78,196.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		2,500.	0.		2,500.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		4,418.	4,978.		0.
19 Depreciation and depletion		314,858.	314,858.		
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		6,650.	6,650.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		328,426.	326,486.		2,500.
25 Contributions, gifts, grants paid		52,500.			52,500.
26 Total expenses and disbursements. Add lines 24 and 25		380,926.	326,486.		55,000.
27 Subtract line 26 from line 12		<320,469.>			
a Excess of revenue over expenses and disbursements			0.		
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			5,248.	7,614.	7,614.
	2 Savings and temporary cash investments			296,306.	23,082.	23,082.
	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					
	7 Other notes and loans receivable ▶					
	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					
	b Investments - corporate stock					
	c Investments - corporate bonds					
	11 Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation					
	12 Investments - mortgage loans					
	13 Investments - other	STMT 7		1,646,762.	1,597,151.	1,104,417.
	14 Land, buildings, and equipment basis ▶					
	Less accumulated depreciation					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)			1,948,316.	1,627,847.	1,135,113.
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					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			1,948,316.	1,627,847.	
	30 Total net assets or fund balances			1,948,316.	1,627,847.	
	31 Total liabilities and net assets/fund balances			1,948,316.	1,627,847.	

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	1,948,316.
2 Enter amount from Part I, line 27a	2	<320,469.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,627,847.
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	1,627,847.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a MUTUAL FUNDS		P	VARIOUS	VARIOUS
b				
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 374,837.		392,576.	<17,739.>	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(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		
a			<17,739.>	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		2		<17,739.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3		N/A
If gain, also enter in Part I, line 8, column (c)				
If (loss), enter -0- in Part I, line 8				

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

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

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	1,112,360.	1,941,274.	.573005
2007	112,545.	543,706.	.206996
2006	102,764.	186,990.	.549569
2005	5,900.	31,470.	.187480
2004			

2 Total of line 1, column (d)	2	1.517050
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	3	.379263
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,092,767.
5 Multiply line 4 by line 3	5	414,446.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.
7 Add lines 5 and 6	7	414,446.
8 Enter qualifying distributions from Part XII, line 4	8	55,000.

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

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

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)		1	0.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b			
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	0.
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	0.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
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		0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
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		
11 Enter the amount of line 10 to be credited to 2010 estimated tax ☐ 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ 0. (2) On foundation managers ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	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.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ TX		
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► FRED STEPHENS Telephone no ► (940) 723-2166 Located at ► 811 6TH STREET, WICHITA FALLS, TX ZIP+4 ► 76301			
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

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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No	
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
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 2009 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 2009.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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 2009?		4b

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**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 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ 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?

N/A

7b

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.

(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
FRED STEPHENS	PRESIDENT/DIRECTOR			
811 6TH STREET				
WICHITA FALLS, TX 76301	0.00	0.	0.	0.
THOMAS P. STEPHENS	VICE-PRES/SEC/DIRECTOR			
811 6TH STREET				
WICHITA FALLS, TX 76301	0.00	0.	0.	0.
SUSAN S. GEYER	DIRECTOR			
811 6TH STREET				
WICHITA FALLS, TX 76301	0.00	0.	0.	0.
KATHERINE S. SMETHIE	DIRECTOR			
811 6TH STREET				
WICHITA FALLS, TX 76301	0.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. 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 N/A	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
	0.
2	
All other program-related investments. See instructions.	
3 N/A	
Total. Add lines 1 through 3	0.

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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	456,411.
b	Average of monthly cash balances	1b	166,125.
c	Fair market value of all other assets	1c	486,872.
d	Total (add lines 1a, b, and c)	1d	1,109,408.
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	1,109,408.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	16,641.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,092,767.
6	Minimum investment return. Enter 5% of line 5	6	54,638.

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	54,638.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	54,638.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	54,638.
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	54,638.

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	55,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	55,000.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	55,000.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				54,638.
2 Undistributed Income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				4,326.
c From 2006				93,538.
d From 2007				85,908.
e From 2008				1,015,296.
f Total of lines 3a through e	1,199,068.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$				55,000.
a Applied to 2008, 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 2009 distributable amount				54,638.
e Remaining amount distributed out of corpus	362.			
5 Excess distributions carryover applied to 2009 (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:	1,199,430.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	1,199,430.			
10 Analysis of line 9				
a Excess from 2005				4,326.
b Excess from 2006				93,538.
c Excess from 2007				85,908.
d Excess from 2008				1,015,296.
e Excess from 2009				362.

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 <i>Paid during the year</i> SCHEDULE PF-3				52,500.
Total			▶ 3a	52,500.
b <i>Approved for future payment</i> NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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	4,640.	
4 Dividends and interest from securities			14	8,531.	
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			15	65,025.	
8 Gain or (loss) from sales of assets other than inventory			18	<17,739.>	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0.		60,457.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13 60,457.	

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

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

[illegible]

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) of the Code (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. | | |

[illegible]

- 2a** Is the foundation 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		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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.

Sign Here

Signature of officer or trustee

x2-22 10
Date

PRESIDENT
Title

**Paid
Preparer's
Use Only**

Preparer's signature 
Firm's name (or yours if self-employed), address, and ZIP code
HUPP, BAUER, HANSON & LEWIS
719 SCOTT AVE., STE. 200
WICHITA FALLS, TX 76301-2606

Date 2/20/10

☐ Check if self-employed

Preparer's identifying number	P00630884
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FIN ▶ 75-1847161

Phone no (940) 322-3103

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
NATIONAL FINANCIAL SERVICES	4,640.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	4,640.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
NATIONAL FINANCIAL SERVICES	8,531.	0.	8,531.
TOTAL TO FM 990-PF, PART I, LN 4	8,531.	0.	8,531.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS ROYALTY INCOME	60,859.	60,859.	
OKLAHOMA WITHHOLDING TAXES REFUND	4,166.	4,166.	
TOTAL TO FORM 990-PF, PART I, LINE 11	65,025.	65,025.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	2,500.	0.		2,500.
TO FORM 990-PF, PG 1, LN 16B	2,500.	0.		2,500.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EXCISE TAXES	<560.>	0.			0.
OKLAHOMA WITHHOLDING TAXES	1,309.	1,309.			0.
SEVERANCE TAXES	3,669.	3,669.			0.
TO FORM 990-PF, PG 1, LN 18	4,418.	4,978.			0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT FEES	3,296.	3,296.			0.
OPERATING EXPENSES	1,916.	1,916.			0.
OTHER ROYALTY EXPENSES	1,438.	1,438.			0.
TO FORM 990-PF, PG 1, LN 23	6,650.	6,650.			0.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
MUTUAL FUNDS	COST	620,000.	617,545.	
OIL & GAS ROYALTY	COST	2,518,868.	486,872.	
ACCUMULATED DEPLETION	COST	<1,541,717.>	0.	
TOTAL TO FORM 990-PF, PART II, LINE 13		1,597,151.	1,104,417.	

TAXPAYER: STEPHENS FAMILY FOUNDATION

EIN: 20-2784814

SCHEDULE: ROYALTY OPERATIONS AND ALLOWABLE DEPLETION

YEAR: DECEMBER 31, 2009

STATEMENT PF-1

NO.	PROPERTY		GROSS SALES	SEVERANCE TAX	OTHER EXPENSE	LEASE OPERATIONS	NET INCOME	DEPLETION	
	NAME	STATE						STATUTORY	ALLOWABLE
81620	TRAHAN #1	LA	13,852.41	876.07	-	87.00	12,889.34	-	71,924.23
2550	AMOS #1-29	OK	17,159.19	1,223.48	857.60	87.00	14,991.11	-	55,473.03
255330	CLELLA #1-19	OK	101.74	7.29	4.22	87.00	3.23	-	49,719.88
74087	SHARUM #1A-30	OK	8,922.36	641.00	412.27	87.00	7,782.09	-	86,068.46
TOTAL - OKLAHOMA			26,183.29	1,871.77	1,274.09	261.00	22,776.43	-	191,261.37
29250	HAMMAN & ANDERSON #4	TX	2,519.85	155.41	-	121.37	2,243.07	-	9,398.45
29350	HAMMAN & ANDERSON #7	TX	8,934.89	580.53	-	825.65	7,528.71	-	31,273.28
44103	KELLY GAS UNIT #3	TX	3,061.18	13.43	57.09	213.88	2,776.78	-	1,996.88
44104	KELLY GAS UNIT #4	TX	1,952.18	7.74	37.34	152.57	1,754.53	-	3,975.03
79090	S/T CONOCO FEE #1	TX	627.89	13.27	(6.61)	77.72	543.51	-	5,029.23
TOTAL - COST			17,095.99	770.38	87.82	1,391.19	14,846.60	-	51,672.87
44105	KELLY GAS UNIT #5	TX	3,727.32	150.95	75.64	176.74	3,323.99	-	-
TOTAL - TEXAS			20,823.31	921.33	163.46	1,567.93	18,170.59	-	51,672.87
TOTAL - COMBINED			60,859.01	3,669.17	1,437.55	1,915.93	53,836.36	-	314,858.47

TAXPAYER: STEPHENS FAMILY FOUNDATION

EIN: 20-2784814

SCHEDULE: COST DEPLETION

YEAR: DECEMBER 31, 2009

STATEMENT PF-2

PROPERTY		COST			RESERVE		NET		DEPLETION RESERVE		
NO.	NAME	01/01/09	CHANGE	12/31/09	01/01/09	CHARGE	COST	RATE	COST	CREDIT	12/31/09
81620	TRAHAN #1	575,393 86	-	575,393 86	294,376 72	-	281,017 14	0 125	71,924 23	71,924 23	366,300 95
2550	AMOS #1-29	443,784 26	-	443,784 26	223,412 60	-	220,371 66	0 125	55,473 03	55,473 03	278,885 63
25330	CLELLA #1-19	397,759 05	-	397,759 05	149,159 64	-	248,599 41	0 125	49,719 88	49,719 88	198,879 52
74087	SHARUM #1A-30	688,547 69	-	688,547 69	338,923 75	-	349,623 94	0 125	86,068 46	86,068 46	424,992 21
TOTAL - OKLAHOMA		1,530,091 00	-	1,530,091 00	711,495 99	-	818,595 01		191,261 37	191,261 37	902,757 36
29250	HAMMAN & ANDERSON #4	75,187 59	-	75,187 59	40,291 01	-	34,896 58	0 125	9,398 45	9,398 45	49,689 46
29350	HAMMAN & ANDERSON #7	250,186 24	-	250,186 24	137,839 64	-	112,346 60	0 125	31,273 28	31,273 28	169,112 92
44103	KELLY GAS UNIT #3	15,975 03	-	15,975 03	7,655 24	-	8,319 79	0 125	1,996 88	1,996 88	9,652 12
44104	KELLY GAS UNIT #4	31,800 27	-	31,800 27	15,238 68	-	16,561 59	0 125	3,975 03	3,975 03	19,213 71
79090	S/T CONOCO FEE #1	40,233 83	-	40,233 83	19,960 85	-	20,272 98	0 125	5,029 23	5,029 23	24,990 08
TOTAL - TEXAS		413,382 96	-	413,382 96	220,985 42	-	192,397 54		51,672 87	51,672 87	272,658 29
TOTAL - COMBINED		2,518,867 82	-	2,518,867 82	1,226,858 13	-	1,292,009 69		314,858 47	314,858 47	1,541,716 60

TAXPAYER: STEPHENS FAMILY FOUNDATION

STATEMENT PF-3

EIN: 20-2784814

SCHEDULE: CONTRIBUTIONS, GIFTS AND GRANTS PAID

YEAR END: DECEMBER 31, 2009

<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
CHURCH OF THE GOOD SHEPHERD 1007 BURNETT WICHITA FALLS, TX 76302	GENERAL OPERATIONS	10,000.00
BOYS & GIRLS CLUB 1318 6TH STREET WICHITA FALLS, TX 76301	GENERAL OPERATIONS	2,500.00
CHURCH OF THE GOOD SHEPHERD 1007 BURNETT WICHITA FALLS, TX 76302	GENERAL OPERATIONS	10,000 00
CHURCH OF THE GOOD SHEPHERD 1007 BURNETT WICHITA FALLS, TX 76302	GENERAL OPERATIONS	10,000.00
CHURCH OF THE GOOD SHEPHERD 1007 BURNETT WICHITA FALLS, TX 76302	GENERAL OPERATIONS	10,000 00
UNITED REGIONAL HEALTH CARE FOUNDATION 1600 8TH STREET WICHITA FALLS, TX 76301	GENERAL OPERATIONS	10,000.00
TOTAL		<u>52,500.00</u>