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

2012

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 2012, or tax year beginning , 2012, and ending

Name of foundation <b>Betty &amp; James K. Stone Foundation</b>		A Employer identification number <b>57-0958629</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>P.O. Box 219</b>		B Telephone number (see the instructions) <b>(864) 439-9788</b>
City or town <b>Wellford</b>	State ZIP code <b>SC 29385</b>	C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ <b>2,541,157.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc., received (att sch)	500,000.			
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	43,473.	43,473.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-63,642.	L-6a Stmt		
	b Gross sales price for all assets on line 6a	98,085.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	479,831.	43,473.	0.		
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) L-16b Stmt	3,300.	1,650.		1,650.
	c Other prof fees (attach sch) L-16c Stmt	14,000.	7,000.		7,000.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	922.	922.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Line 23 Stmt	553.	277.		277.
	24 Total operating and administrative expenses. Add lines 13 through 23	18,775.	9,849.		8,927.
	25 Contributions, gifts, grants paid	93,850.			93,850.
26 Total expenses and disbursements. Add lines 24 and 25	112,625.	9,849.		102,777.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	367,206.				
b Net investment income (if negative, enter -0-)		33,624.			
c Adjusted net income (if negative, enter -0-)			0.		

**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>A S S E T S</b>	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	160,426.	374,300.	374,300.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) L-10b Stmt	845,374.	998,706.	2,166,857.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe )				
16 <b>Total assets</b> (to be completed by all filers — see the instructions. Also, see page 1, item I)	1,005,800.	1,373,006.	2,541,157.	
<b>L I A B I L I T I E S</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe )			
	23 <b>Total liabilities</b> (add lines 17 through 22)			
<b>N E T A S S E T S  F U N D B A L A N C E S</b>	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b>	X		
	27 Capital stock, trust principal, or current funds	707,476.	707,476.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	298,324.	665,530.	
	30 <b>Total net assets or fund balances</b> (see instructions)	1,005,800.	1,373,006.	
	31 <b>Total liabilities and net assets/fund balances</b> (see instructions)	1,005,800.	1,373,006.	

**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	1,005,800.
2 Enter amount from Part I, line 27a	2	367,206.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,373,006.
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	1,373,006.

**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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
<b>1a See Attached Statement for Detail</b>		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 98,085.	0.	161,727.	-63,642.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (i) over column (j), if any	
a			-63,642.
b			
c			
d			
e			

<b>2</b> Capital gain net income or (net capital loss). <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>		2	-63,642.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 <span style="border: 1px solid black; padding: 2px;"></span>		3	-63,642.

**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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2011	53,239.	1,814,349.	0.029343
2010	53,548.	1,583,066.	0.033826
2009	11,795.	1,271,500.	0.009276
2008	6,955.	1,402,701.	0.004958
2007	6,383.	1,454,572.	0.004388

<b>2</b> Total of line 1, column (d)	2	0.081791
<b>3</b> 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	0.016358
<b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	2,343,530.
<b>5</b> Multiply line 4 by line 3	5	38,335.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	6	336.
<b>7</b> Add lines 5 and 6	7	38,671.
<b>8</b> Enter qualifying distributions from Part XII, line 4	8	102,777.

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)**

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)		1	336.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> 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, column (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	336.
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	336.
6 Credits/Payments:			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	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		
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	336.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a 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 the instructions for definition)? <i>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.</i>		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 \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions)		
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? <i>If 'No,' attach explanation</i>	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>	X	

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**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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Eliot Stone</u> Telephone no. <u>(864) 439-9788</u> Located at <u>125 Office Street</u> <u>Wellford</u> <u>SC</u> ZIP + 4 <u>29385</u>			
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 <u>15</u>			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country	16		X

**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
<b>1 a</b> 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?	<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	
(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.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>b</b> If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	X
<b>c</b> 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 2012?	1 c	X
<b>2</b> 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)):		
<b>a</b> At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> 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.)	2 b	X
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
<b>3 a</b> Did the foundation 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>b</b> If 'Yes,' did it have excess business holdings in 2012 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 2012.)	3 b	X
<b>4 a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
<b>b</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 2012?	4 b	X

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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)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b X

Organizations relying on a current notice regarding disaster assistance check here

☐

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

☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b X

If 'Yes' to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

**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 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
George E. Stone P.O. Box 219 Wellford SC 29385	Trustee 8.00	0.	0.	0.
Eliot Stone P.O. Box 219 Wellford SC 29385	Trustee 4.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

None

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

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- ----- -----		
----- ----- ----- -----		
----- ----- ----- -----		
----- ----- ----- -----		
----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶		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, conferences convened, research papers produced, etc		Expenses
1	<u>NOT APPLICABLE</u>	
2		0.
3		
4		

**Part IX-B Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
<b>1</b> <u>NOT APPLICABLE</u> ----- ----- -----	
<b>2</b> ----- ----- ----- -----	0.
All other program-related investments. See instructions. <b>3</b> ----- ----- -----	
<b>Total.</b> Add lines 1 through 3	None

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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	1 a	2,036,144.
b Average of monthly cash balances	1 b	343,074.
c Fair market value of all other assets (see instructions)	1 c	0.
d Total (add lines 1a, b, and c)	1 d	2,379,218.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	2,379,218.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	35,688.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,343,530.
6 Minimum investment return. Enter 5% of line 5	6	117,177.

**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	117,177.
2a Tax on investment income for 2012 from Part VI, line 5	2 a	336.
b Income tax for 2012. (This does not include the tax from Part VI.)	2 b	
c Add lines 2a and 2b	2 c	336.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	116,841.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	116,841.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	116,841.

**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	1 a	102,777.
b Program-related investments — total from Part IX-B	1 b	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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	102,777.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	336.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	102,441.

**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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				116,841.
2 Undistributed income, if any, as of the end of 2012.				
a Enter amount for 2011 only			4,547.	
b Total for prior years. 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012.				
a From 2007	0.			
b From 2008	0.			
c From 2009	0.			
d From 2010	0.			
e From 2011	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: \$ 102,777.				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2012 distributable amount				102,777.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
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				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount — see instructions			4,547.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				14,064.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008	0.			
b Excess from 2009	0.			
c Excess from 2010	0.			
d Excess from 2011	0.			
e Excess from 2012	0.			

BAA

Form 990-PF (2012)

## N/A

**b** Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

[illegible]

### 1 Information Regarding Foundation Managers:

George E. Stone

NOT APPLICABLE

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

NOT APPLICABLE

NOT APPLICABLE

NOT APPLICABLE

NOT APPLICABLE

**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
<b>a Paid during the year</b>				
Spartanburg Day School 1701 Skylyn Drive Spartanburg SC 29307		501(C)3	Education	28,000.
Spartanburg Methodist College 1000 Powell Mill Road Spartanburg SC 29301		501(C)3	Education	0.
Church of the Advent 141 Advent Street Spartanburg SC 29302		501(C)3	General Support	27,500.
Spartanburg County Foundation 424 East Kennedy Street Spartanburg SC 29302		501(C)3	General Support	400.
Miracle Hills Ministries P.O. Box 2546 Greenville SC 29602		501(C)3	General Support	250.
Converse Heights Neighborhood Assn P.O. Box 187 Spartanburg SC 29304		501(C)3	General Support	0.
Spartanburg Regional Foundation 101 East Wood Street Spartanburg SC 29303		501(C)3	General Support	1,250.
Spartanburg Art Museum 200 East St. John Street Spartanburg SC 29306		501(C)3	General Support	1,000.
Converse College 580 East Main Street Spartanburg SC 29302		501(C)3	Education	10,000.
See Line 3a statement				25,450.
<b>Total</b>			<b>3a</b>	<b>93,850.</b>
<b>b Approved for future payment</b>				
<b>Total</b>			<b>3b</b>	





Name <b>Betty &amp; James K. Stone Foundation</b>	Employer Identification Number <b>57-0958629</b>
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**Asset Information:**

<b>Description of Property:</b> <u>1000 Shares of Cisco Systems</u>			
Date Acquired:	<u>01/11/07</u>	How Acquired:	<u>Purchased</u>
Date Sold:	<u>02/29/12</u>	Name of Buyer:	
Sales Price:	<u>20,083.</u>	Cost or other basis (do not reduce by depreciation)	<u>28,758.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>-8,675.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>1601 Shares of Cousins Properties</u>			
Date Acquired:	<u>01/11/07</u>	How Acquired:	<u>Purchased</u>
Date Sold:	<u>02/29/12</u>	Name of Buyer:	
Sales Price:	<u>11,890.</u>	Cost or other basis (do not reduce by depreciation)	<u>18,413.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>-6,523.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>250 Shares of Goldman Sacks Group</u>			
Date Acquired:	<u>11/22/06</u>	How Acquired:	<u>Purchased</u>
Date Sold:		Name of Buyer:	
Sales Price:	<u>29,207.</u>	Cost or other basis (do not reduce by depreciation)	<u>50,423.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>-21,216.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>200 Shares of NYSE Euronext</u>			
Date Acquired:	<u>11/11/07</u>	How Acquired:	<u>Purchased</u>
Date Sold:	<u>12/29/12</u>	Name of Buyer:	
Sales Price:	<u>6,034.</u>	Cost or other basis (do not reduce by depreciation)	<u>21,718.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>-15,684.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>1000 Shares of Regions Financial</u>			
Date Acquired:	<u>10/06/05</u>	How Acquired:	<u>Purchased</u>
Date Sold:	<u>02/29/12</u>	Name of Buyer:	
Sales Price:	<u>5,824.</u>	Cost or other basis (do not reduce by depreciation)	<u>29,878.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>-24,054.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>30 Shares of AOL Inc.</u>			
Date Acquired:	<u>01/23/12</u>	How Acquired:	<u>Donated</u>
Date Sold:	<u>01/27/12</u>	Name of Buyer:	
Sales Price:	<u>462.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>462.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>100 Shares of Broadridge Financial Solutions</u>			
Date Acquired:	<u>01/23/12</u>	How Acquired:	<u>Donated</u>
Date Sold:	<u>01/27/12</u>	Name of Buyer:	
Sales Price:	<u>2,387.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense:		Valuation Method:	
Total Gain (Loss):	<u>2,387.</u>	Accumulation Depreciation:	<u>0.</u>
<b>Description of Property:</b> <u>See Net Gain or Loss from Sale of Assets</u>			
Date Acquired:		How Acquired:	
Date Sold:		Name of Buyer:	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method:	
Total Gain (Loss):		Accumulation Depreciation:	

Form 990-PF, Part I, Lines 6a

**Net Gain or Loss from Sale of Assets****Asset Information:**

Description of Property	<u>Call: 5 Contracts of Monsanto</u>		
Business Code	Exclusion Code		
Date Acquired	<u>various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>01/06/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>838.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>838.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>14 Shares of Citigroup</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>417.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>417.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>768 Shares of Frontier Communications</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>3,271.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>3,271.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>48 Shares of Medco Health</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>2,949.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>2,949.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>37 Shares of Motorila Holdings</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>1,432.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>1,432.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>42 Shares of Motorola Solutions</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>1,888.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>1,888.</u>	Accumulated Depreciation	<u>0.</u>



Form 990-PF, Part I, Lines 6a

Continued

**Net Gain or Loss from Sale of Assets****Asset Information:**

Description of Property	<u>8 Shares of Smucker J.M. Co.</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>625.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>625.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>3 Shares Toronto-Dominion Bank</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>225.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>225.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>1 Share of Visteon Corp.</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>40.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>40.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>2 Shares of WTS Visteon</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>01/27/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>9.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>9.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>Call: 5 Contracts of Apple</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/27/12</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>05/14/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>8,538.</u>	Cost or other basis (do not reduce by depreciation)	<u>12,537.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>-3,999.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>Call: 10 Contracts of Pepsico</u>		
Business Code	Exclusion Code		
Date Acquired	<u>various</u>	How Acquired	<u>Donated</u>
Date Sold	<u>08/10/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>1,914.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>1,914.</u>	Accumulated Depreciation	<u>0.</u>

Form 990-PF, Part I, Lines 6a

Continued

**Net Gain or Loss from Sale of Assets****Asset Information:**

Description of Property	<u>Cash-In-Lieu Kraft Foods</u>		
Business Code	Exclusion Code		
Date Acquired	<u>01/23/12</u>	How Acquired	<u>Donated</u>
Date Sold	<u>10/05/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>30.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>30.</u>	Accumulated Depreciation	<u>0.</u>
Description of Property	<u>Cash-In-Lieu Duke Power</u>		
Business Code	Exclusion Code		
Date Acquired	<u>various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>07/06/12</u>	Name of Buyer	
Check Box, if Buyer is a Business	<input type="checkbox"/>		
Sales Price	<u>22.</u>	Cost or other basis (do not reduce by depreciation)	<u>0.</u>
Sales Expense	Valuation Method		
Total Gain (Loss)	<u>22.</u>	Accumulated Depreciation	<u>0.</u>

Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<b>Federal Taxes</b>	629.	629.		
<b>Foreign Taxes</b>	293.	293.		
<b>Total</b>	<u>922.</u>	<u>922.</u>		

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<b>Office Supplies</b>	533.	267.		267.
<b>Duke Reorg Fee</b>	20.	10.		10.
<b>Total</b>	<u>553.</u>	<u>277.</u>		<u>277.</u>

Form 990-PF, Page 11, Part XV, line 3a

**Line 3a statement**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox  Amount
<b>a Paid during the year</b>				
Hub City Writers 186 West Main Street Spartanburg SC 29306		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 2,000.
Campus Crusade For Christ 100 Lake Hart Drive #3600 Orlando FL 32832		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 800.
Hillbrook Little League 9039 Fairforest Road Spartanburg SC 29301		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 2,000.
SPACE 154 Magnolia Street Spartanburg SC 29306		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 100.
Shriners Circus P.O. Box 2663 Easley SC 29641		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 50.
Low Country Conservation 40 Mobley Oaks Lane Okatie SC 29909		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 500.
LaAnna United Methodist Church P.O. Box 142 Newfoundland PA 18445		501 (C) 3	General Support	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 20,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

**Line 3a statement**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox  Amount
<b>a Paid during the year</b>				

Total

25,450.

Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Bobby J. Willis	Accounting/Tax Prepar	3,300.			

Total

3,300.

Form 990-PF, Page 1, Part I

**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Jackson Management,	Management Fee	14,000.			

Total

14,000.

Form 990-PF, Page 2, Part II, Line 10b

**L-10b Stmt**

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
See Attached Statement for Detail	998,706.	2,166,857.
Total	<u>998,706.</u>	<u>2,166,857.</u>

**Supporting Statement of:**

Form 990-PF, p1/Line 1(a)

Description	Amount
Cash Donation from George E. Stone	500,000.
Total	<u>500,000.</u>

**Supporting Statement of:**

Form 990-PF, p12/Line 4 Column (b)

Description	Amount
See Attached Sheet for Detail	43,473.
Total	<u>43,473.</u>

BETTY & JAMES K. STONE FOUNDATION

EIN: 57-0958629

FORM 990PF, PART I - LINE 4 - DIVIDENDS & INTEREST

2012

DESCRIPTION	DIVIDENDS
1. 3M COMPANY -	2,360
2. ALTRIA GROUP INC. -	1,670
3. APPLE INC. -	7,950
4. AT&T INC. -	3,520
5. CISCO SYSTEMS -	60
6. COUSINS PROPERTIES -	72
7. C. R. BARD INC. -	780
8. DUKE ENERGY -	1,520
9. EXXON MOBILE CORP -	2,180
10. FORD MOTOR -	400
11. GENERAL ELECTRIC	680
13. GOLDCORP INC -	45
14. GOLDMAN SACKS -	88
15. HALLIBURTON -	360
16. KRAFT FOODS -	803
17. MONSANTO CO -	637
18. NORTHROP GRUMMAN CORP -	2,150
19. OCCIDENTAL PETROLEUM -	5,240
20. PEPSICO INC -	2,105
21. PFIZER -	1,313
22. PHILLIP MORRIS -	3,160
23. REGIONS FINANCIAL -	10
24. SANOFI AVENTIS -	1,689
25. SEADRILL LIMITED -	2,550
26. TOYOTA MOTOR CORP -	372
27. WELLS FARGO & CO -	1,760
TOTAL ORDINARY DIVIDENDS -	43,473
TOTAL QUALIFIED DIVIDENDS -	43,401

## FORM 990PF, PART II - LINE 10b - CORPORATE STOCKS

2012

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
1. 3M COMPANY	37,932	37,932	92,850
2. ALTRIA GROUP INC.	23,937	23,937	31,440
3. APPLE COMPUTER INC -	53,872	53,872	798,260
4. AT&T -	60,591	60,591	67,420
5. C. R. BARD INC.	69,084	69,084	97,740
6. CISCO SYSTEMS -	28,758	0	0
7. COUSINS PROP. -	18,413	0	0
8. DUKE ENERGY -	20,798	64,093	63,800
9. EXXON MOBILE -	38,059	38,059	86,550
10. FORD MOTOR -	22,648	22,648	25,900
11. GENERAL ELECTRIC -	28,598	28,598	20,990
12. GOLDCORP -	0	40,606	36700
13. GOLDMAN SACHS GROUP -	50,423	0	0
14. HALLIBURTON -	28,308	28,308	34,690
15. KOSMOS ENERGY LTD -	0	28,773	37,050
16. KRAFT FOODS -	0	0	10,458
17. INTERMEC INC. -	0	0	0
18. LINN ENERGY INC -	0	58,444	52,860
19. MONDELEZ INTERNATIONAL -	0	0	17,614
20. MONSANTO CO. -	0	35,167	47,325
21. NORTHROP GRUMMAN CORP -	54,030	54,030	67,580
22. NYSE EURONEXT -	21,718	0	0
23. OCCIDENTAL PETROLEUM -	48,365	48,365	153,220
24. PEPSICO -	53,915	53,915	68,430
25. POTASH CORP OF SASKATCHEWAN -	0	37,866	40690
26. PFIZER -	24,110	24,110	37,418
27. PHILIP MORRIS -	0	0	83,640
28. REGIONS FINANCIAL -	29,878	0	0
29. SANOFI AVENTIS	43,803	43,803	47,380
30. SEADRILL LIMITED -	0	58,371	55,200
31. TOYOTA MOTOR CORP -	29,930	29,930	23,313
32. WELLS FARGO & CO -	58,204	58,204	68,360
CALL: PEPSICO INC			(20)
TOTALS -	845,374	998,706	2,166,857

STATEMENT 1:

BETTY &amp; JAMES K. STONE FOUNDATION

EID: 57-0958629

YEAR 2012

FORM 990 PF: PART X: MINIMUM INVESTMENT RETURN:

MONTH	SECURITIES	CASH	OTHER	TOTAL
JAN., 2012	1,830,308	126,541	0	1,956,849
FEB., 2012	1,961,015	149,876	0	2,110,891
MAR., 2012	1,966,814	225,438	0	2,192,252
APR., 2012	1,949,007	224,719	0	2,173,726
MAY, 2012	1,904,320	213,554	0	2,117,874
JUNE, 2012	1,976,411	216,339	0	2,192,750
JULY, 2012	2,036,498	202,621	0	2,239,119
AUG., 2012	2,110,230	709,591	0	2,819,821
SEPT., 2012	2,214,295	640,488	0	2,854,783
OCT., 2012	2,068,037	638,250	0	2,706,287
NOV., 2012	2,249,941	395,167	0	2,645,108
DEC., 2012	2,166,857	374,300	0	2,541,157
AVERAGE -	2,036,144	343,074	0	2,379,218



## FORM 990PF PART I - LINE 6A &amp; LINE 6B - NET GAIN OR (LOSS) FROM SALE OF ASSETS

DESCRIPTION	HOW ACQUIRED	DATE ACQUIRED	DATE SOLD	SALES PRICE	BASIS	TO WHOM SOLD	D C
1. SOLD 1000 SHS. OF CISCO SYSTEMS	PURCHASED	01/11/07	02/29/12	20,083	28,758	PUBLICLY TRADED SECURITY	
2. SOLD 1601 SHS. OF COUSINS PROPERTIES	PURCHASED	01/11/07	02/29/12	11,890	18,413	PUBLICLY TRADED SECURITY	
3. BOUGHT 667 SHS. OF DUKE ENERGY	PURCHASED	08/30/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
4. BOUGHT 1000 SHS. OF GOLDCORP INC	PURCHASED	11/19/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
5. SOLD 250 SHS. OF GOLDMAN SACKS GROUP	PURCHASED	11/22/06	12/29/12	29,207	50,423	PUBLICLY TRADED SECURITY	
6. BOUGHT 3000 SHS. OF KOSMOS ENERGY	PURCHASED	08/30/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
7. BOUGHT 1500 SHS OF LINN ENERGY	PURCHASED	11/19/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
8. BOUGHT 500 SHS OF MONSANTO	PURCHASED	12/30/11	NA	NA	NA	PUBLICLY TRADED SECURITY	
9. SOLD 200 SHS OF NYSE EURONEXT	PURCHASED	11/11/07	12/29/12	6,034	21,718	PUBLICLY TRADED SECURITY	
10. BOUGHT 1000 SHS OF POTASH OF SASKATCHEWAN	PURCHASED	11/19/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
11. SOLD 1000 SHS OF REGIONS FINANCIAL	PURCHASED	10/06/05	02/29/12	5,824	29,878	PUBLICLY TRADED SECURITY	
12. BOUGHT 1500 SHS OF SEADRILL LIMITED	PURCHASED	11/19/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
13. SOLD 30 SHS OF AOL INC.	GIFT	01/23/12	01/27/12	462	0	PUBLICLY TRADED SECURITY	
14. SOLD 100 SHS OF BROADRIDGE FIN. SOLUTIONS	GIFT	01/23/12	01/27/12	2,387	0	PUBLICLY TRADED SECURITY	
15. SOLD CALL: 5 CONTRACTS OF MONSANTO	GIFT		01/06/12	838	0	PUBLICLY TRADED SECURITY	
16. SOLD 14 SHS OF CITIGROUP	GIFT	01/23/12	01/27/12	417	0	PUBLICLY TRADED SECURITY	
17. SOLD 768 SHS OF FRONTIER COMMUNICATIONS	GIFT	01/23/12	01/27/12	3,271	0	PUBLICLY TRADED SECURITY	
18. SOLD 48 SHS OF MEDCO HEALTH	GIFT	01/23/12	01/27/12	2,949	0	PUBLICLY TRADED SECURITY	
19. SOLD 37 SHS OF MOTOROLA HOLDINGS	GIFT	01/23/12	01/27/12	1,432	0	PUBLICLY TRADED SECURITY	
20. SOLD 42 SHS OF MOTOROLA SOLUTIONS	GIFT	01/23/12	01/27/12	1,888	0	PUBLICLY TRADED SECURITY	
22. SOLD 8 SHS OF SMUCKER J.M. CO.	GIFT	01/23/12	01/27/12	625	0	PUBLICLY TRADED SECURITY	
23. SOLD 3 SHS OF TORONTO-DOMINION BANK	GIFT	01/23/12	01/27/12	225	0	PUBLICLY TRADED SECURITY	
24. SOLD 1 SH. OF VISTEON CORP.	GIFT	01/23/12	01/27/12	40	0	PUBLICLY TRADED SECURITY	
25. SOLD 2 SHS OF WTS VISTEON	GIFT	01/23/12	01/27/12	9	0	PUBLICLY TRADED SECURITY	
26. SOLD CALL: 5 CONTRACTS OF APPLE	PURCHASED	01/27/12	05/14/12	8,538	12,537	PUBLICLY TRADED SECURITY	
27. BOUGHT CALL: 5 CONTRACTS OF APPLE	PURCHASED	05/14/12	NA	NA	NA	PUBLICLY TRADED SECURITY	
28. SOLD CALL: 10 CONTRACTS OF PEPSICO	PURCHASED		08/10/12	1,914	0	PUBLICLY TRADED SECURITY	
29. CASH-IN-LIEU KRAFT FOODS	GIFT		10/05/12	30	0	PUBLICLY TRADED SECURITY	
30. CASH-IN-LIEU DUKE POWER	PURCHASED	VARIOUS	07/06/12	22	0	PUBLICLY TRADED SECURITY	
				98,085	161,727		

PRE- ATION	GAIN/ LOSS	CHANGES IN BOOK VALUE		
		BEGINNING	ENDING	GAIN/LOSS
0	(8,675)	28,758	0	(28,758)
0	(6,523)	18,413	0	(18,413)
0	0	20,798	64,093	43,295
0	0	0	0	40,606
0	(21,216)	50,423	0	(50,423)
0	0	0	28,773	28,773
0	0	0	58,444	58,444
0	0	0	35,167	35,167
0	(15,684)	21,718	0	(21,718)
0	0	0	37,866	37,866
0	(24,054)	29,878	0	(29,878)
0	0	0	58,371	58,371
0	462	0	0	0
0	2,387	0	0	0
0	838	0	0	0
0	417	0	0	0
0	3,271	0	0	0
0	2,949	0	0	0
0	1,432	0	0	0
0	1,888	0	0	0
0	625	0	0	0
0	225	0	0	0
0	40	0	0	0
0	9	0	0	0
0	(3,999)	0	0	0
0	0	0	0	0
0	1,914	0	0	0
0	30	0	0	0
0	22	0	0	0
(63,642)				153,332